

The North End

HOUSING DEVELOPMENT ZONE

CITY OF MIDDLETOWN

Municipal Development Office

245 DeKoven Drive, Room 208

Middletown, Connecticut 06457





OFFICE OF THE MAYOR
City of Middletown
CONNECTICUT 06457

PAUL GIONFRIDDO

MAYOR

January 17, 1990

Commissioner John F. Papandrea
Connecticut Department of Housing
1179 Main Street
Hartford, Connecticut 06103-1089

Dear Commissioner Papandrea:

Please find enclosed an application for consideration of Middletown's North End as a Housing Development Zone as enabled under section 8/376-381 of the Connecticut General Statutes. The North End is currently the subject of a Redevelopment study; and, the parameters of the Plan already decree that the zone will remain primarily residential, that the streets will remain in their present locations, and that the historic fabric of the neighborhood will be preserved.

The City is focusing its attentions on this deserving but distressed residential neighborhood, and its designation as a Housing Development Zone would offer a fine incentive to property owners and developers in their efforts to revitalize the area. The urban fabric there is aging quickly; and, we have a great need for both high quality rehabilitation, and for the creation of new housing.

Middletown regards this area as one deserving the highest priority for revitalization and hopes that your Department will agree.

Thank you for your consideration of our proposal.

Yours truly,

Paul G. Gionfriddo
Paul Gionfriddo
Mayor

PG/is
Attachments

Housing Development Zone

Application of the City of Middletown

I. General Information

1. North End Proposal

Municipality: City of Middletown, CT
Contact Person: William M. Kuehn, Jr.
Title: Municipal Development Director
Mailing Address: Municipal Development Office
245 deKoven Drive, Room 208
Middletown, CT 06457

Phone: (203) 344-3419

Housing Development Zone

Application of the City of Middletown

I. General information

2. Narrative

History and Description of the North End

Priorities and programs directed to the Area

Coordination of projects

Recent Studies

THE NORTH END NEIGHBORHOOD - History and Description

The North End neighborhood of Middletown is a well-defined, cohesive architectural and historic entity composed primarily of residential buildings dating from 1780 to 1930. Although the architecture is generally plain and not individually distinctive, the area clearly reflects the modest aspirations and economic status of this historic working-class neighborhood, the sole surviving residential neighborhood in the downtown area.

This part of Middletown was fortunately bypassed by the urban redevelopment programs in the 1950's and 1960's - a benign neglect which allowed the neighborhood to remain substantially intact. The redevelopment intention's of the 1990's include preserving the basic integrity of this neighborhood intact. It is, in fact, presently under study as a Redevelopment Area and both the residential character and most of the present structures will remain.

In the 1800's, this neighborhood extended all the way to the Connecticut River to the east. Its streets had a mix of closely sited houses and small shops, while wharves and warehouses lined the river. It is not an area with a large number of high-style architect-designed residences; rather, its importance lies in its overall character and its consistently human scale. By 1880, Irish immigrants comprised 30% of the population in the North End. By 1920, over half of the people in the residential neighborhoods surrounding the commercial district on Main Street were foreign-born, primarily immigrants from Melilli, Sicily, but also including some Germans, Swedes and Greeks.

Several small, quite narrow streets run down towards the river through the area. Ferry Street, established by 1780, provided access to the ferry slip at the river bank. It contains late colonial-period and Federal-style dwellings built by descendants of some of Middletown's settlers. Green Street, the next street to the north, was undoubtedly named by Irish-Americans, who were replaced by new immigrants from Southern Europe, mainly from Sicily. The public school established on Green Street to serve the neighborhood in 1872 eventually became a parochial school owned by St. Sebastian's, the Italian/American church established by the Sicilian immigrants. This building is now owned by the City once again and is undergoing major renovations to become the headquarters for CAGM (Community Action for Greater Middletown) with its many social service outreach programs. To the north of Green Street, Rapallo Avenue, named by the Italian citizens of the neighborhood who arrived at the turn of the Century, makes the last of the triad of single-block streets running from Main Street toward the river. Of all the buildings on Ferry and Green Streets, there are only four with non-residential uses. Most of Rapallo Avenue is residential and virtually all of the Main Street blocks have residential uses on the upper floors. Portland and St. John's Streets comprise an established, more comfortable residential sub-neighborhood which is less distressed, but still part of the "North End".

These streets are part of the North End Neighborhood Strategy Area and are included in census tract 5416. As mentioned before, the area remains substantially residential with the majority of its population at the low and moderate income level according to the 1980 census data and remains so, according to later demographic studies.

Middletown's Main Street is remarkable for both its gracious width (80 - 85 feet) and the integrity of its historic buildings. The part included in the proposed Housing Development Zone, although an integral part of the Central Business District, is also a heavily residential area. Almost all of the three and four story commercial blocks have apartments on the upper floors. The former Arriwani Hotel has been remodeled and expanded to over 79 units and several of the buildings which are not retail businesses or residences, house the social service agencies which provide food, shelter and medical care to the primarily low and moderate income people in the neighborhood.

The proposed zone contains approximately fifty-one (51) acres most of which is fully built with some notable exceptions such as several building sites large enough for a new police station, cultural center, or other sizeable municipal building. Except for the buildings on Main Street, the structures are generally small in scale and two and one-half stories in height, with some notable exceptions. Several large three-story, gable-roofed tenements remain that were built in the late 19th Century.

NORTH END NEIGHBORHOOD - a Municipal Priority for Revitalization
and Preservation Coordination of Effort.

In recognition of the historic importance of the area and its local significance, the City of Middletown has made the preservation of this neighborhood a high priority. Following a policy that has prevailed since 1978-1979, the City has been systematically rehabilitating historic commercial and mixed-use residential buildings. To some extent, as well, housing has been brought up to modern building and life safety codes and, wherever possible, the historic appearance of these buildings has been restored. The establishment of an historic district along Main Street in this neighborhood assists the City in furthering these goals through the Federal Tax Credit Program. However, due to the age and condition of these buildings, much more rehabilitation work is needed to restore and/or replace the basic decaying residential fabric; and further incentives needed to encourage the property owners.

The North End neighborhood is the area of highest priority in the coordination of municipal effort in Middletown. In January, 1988, the Mayor and Council appointed a Task Force to study the social and physical problems in the area and to make recommendations to the Council for their solution. The North End Task Force completed its study and presented its voluminous report in early June. (A synopsis is enclosed which graphically depicts the problems of a typically blighted area.) Coincidentally, the Water & Sewer Department is undertaking a complex CSO project in this area which is further coordinated with the Public Works Department's repaving of the streets

and the DOH sponsored replacement of sidewalks. The City is also trying to coordinate the rehabilitation of the Green Street School, the rehab projects funded with Community Development Block Grants and Rental Rehabilitation in the area and any beautification efforts spearheaded through the Urban Forestry Program, the Park and Recreation Department and Municipal Development Committee efforts to revitalize the business sector downtown, so that the residents are not duly inconvenienced and will be primary beneficiaries.

Throughout the transcripts of the North End Task Force Report are concerns from the neighborhood residents that there be a coordinated effort to revitalize their neighborhood and make it a good place to live again. The Task Force agreed, and has proceeded in the implementation of their report to the extent of turning over their findings to the Redevelopment Agency which is currently preparing a Redevelopment Plan for the area. The final report is due in Spring, 1990 and public hearings on the plan will be scheduled shortly thereafter.

Part of the parameters of the Redevelopment Study include the requirement that the streets remain in their present location and that the residents of the area not be displaced. Further, the consultants are required to explore all possible financial incentives for the implementation of the plan, including its designation as a Housing Development Zone.

Since the entire neighborhood represents a strategy area of primarily low and moderate income residents, and since the residential side streets are not major thoroughfares used mostly by non-residents, it is a reasonable assumption that the benefits of both safety and neighborhood revitalization are directed primarily to these residents.

Revitalization of Middletown's North End Strategy area has been part of the City's Community Development Plan since 1975 when CDBG funds first became available for the Residential Rehabilitation Loan Program and later in 1978 under the Mixed-Use Rehabilitation Program and in 1988 under the Rental Rehab Program. Since that time, 1.7 million dollars from the CDBG program has leveraged 6.1 million private dollars for these programs in the northern Main Street area. In 1977 and 1978, the City provided considerable infrastructure improvements along the north end of Main Street such as underground utilities, brick sidewalks and landscaping; a measure which generated interest in considerable rehab of the buildings as well.

Since then, both the Water & Sewer and Public Works Departments have joined forces with the Department of Environmental Protection to complete the separations of storm and sanitary sewers last year in the North End. This year, they are completing Washington and Ferry Streets; next year, Grand and Green Streets. The Department of Housing is assisting with the replacement of the sidewalks. The City and Community Action for Greater Middletown have embarked on a \$1.4 Million Dollar rehabilitation of the Green Street School which will bring needed services to a concentration of their Target Population. The

Nehemiah Housing Corporation is completing the renovation of a fourteen unit transitional housing facility in a historic tenement on Green Court, and the Arriwani Hotel has undergone considerable rehab which has increased its numbers of SRO units to 79.

However, despite all these housing efforts, the stock in the North End continues to deplete as the old buildings continue to deteriorate and as several of the structures rehabilitated ten years ago need attention again. The character of the neighborhood and quality of urban fabric is still in decline, and new incentives and initiatives are needed to turn the area around before it becomes irreparable. The designation of the North End as a Redevelopment Area will be a significant step in that direction; however, considering the meager resources currently available for financing from Federal sources; any and all incentives for the private property owner are valuable considerations. The Housing Development Zone would be a welcome boost for a needy and well-deserving area which is struggling to keep its identity as a livable working class neighborhood. The North End is a historically viable residential neighborhood in the heart of Middletown's downtown and is designated to remain so. It deserves to be preserved and revitalized.

For further, more detailed information on the North End in particular, and on housing needs in Middletown in general, the following documents are included in Part II of this application.

1. The North End Task Force Report, June 6, 1988.

2. Middletown Housing Task Force Report, 1984, Section 3, North End East Study page 20.
3. Guiding the Future: A Plan of Development for the Year 2000, September 27, 1989.
4. Housing Assistance Plan, October 1, 1989.
5. "Highlights on Housing Needs from State, Regional and Local Sources" - compiled for the Middletown Housing Partnership, August, 1988.
6. Regional Housing Needs Assessment for the Midstate Region, December, 1987.
7. Middletown Housing Partnership, Report of Subcommittee on Housing Needs, March, 1989.

(January, 1990)

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- I. 3. Map of the Target Area with structures and their condition imposed.

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II. Applicant Eligibility

1. Certification of Eligibility

- a. Connecticut Department of Economic Development flyer on "Urban Incentives"
- b. Middletown is eligible to be deemed a "distressed municipality" under section 32-9p (b) of the Connecticut General Statutes until 1992. Its eligibility for Urban Development Action Grants lapsed in 1987; however, it is still within the subsequent five-year period and the Council has not elected to terminate such designation.

A persuasive combination of investment incentives, including tax and financial benefits, are available for companies undertaking new capital investment projects in key Connecticut urban areas.

The Urban Jobs Program benefits firms undertaking projects in 28 targeted municipalities. The Urban Enterprise Zone Program offers expanded incentives for companies involving themselves in 10 state-designated UEZ communities. Under both programs, the projects may involve entirely new facilities, or expansions or substantial renovations of existing facilities.

ELIGIBLE ACTIVITIES & BENEFITS

Manufacturing and R&D Facilities

Firms planning new investments in manufacturing facilities, or research & development activities related to manufacturing, are eligible for incentives under both the Urban Jobs and Urban EZ programs. Eligible operations may involve the manufacture or assembly of raw materials or parts of manufactured products; the significant servicing, overhaul or rebuilding of machinery and equipment for industrial use; non-retail (bulk) distribution of manufactured products, and research and development directly related to manufacturing.

Eligible facilities include new construction; older buildings that have been idle for at least one year prior to purchase or leasing for at least five years, and all other facilities that that are substantially renovated or expanded.

Within Enterprise Zones, program incentives have been extended to certain financial, insurance, and business service firms that result in 10 or more new employment positions and show a capacity to export their products. The prior idleness requirement for acquired facilities has been reduced to six months for occupants having six to 19 employees, and waived for those having five or fewer; the lease terms has been reduced to three years for occupants having 10 or fewer employees.

Property tax incentives go to the owner of the facility. Corporate tax incentives, job grants, low-cost loans, and financing-charge reductions are awarded to occupants.

Manufacturing and R&D Incentives

	Urban Jobs	Urban EZ
Local tax abatement on real & personal property:	• 80%/5 years	• 80%/5 years
State corporate business tax credit:	• 25%/10 years	• 50%/10 years
Grants for resulting new, permanent full-time jobs:	• \$500/job	• \$1500/job
Special low-cost financing programs:	• Working capital	• Working capital • Venture capital • Small business
Charge reductions in other finance programs:	• Direct loans • Mortgage insurance	• Direct loans • Mortgage insurance
Added benefits:	• State grant eligibility for mini industrial parks.	• Sales tax exemption on manufacturing machinery replacement parts. • Job training assistance.

[illegible]

Commercial and Retail Businesses

Qualifying commercial and retail businesses are eligible for benefits only under UEZ. Such businesses may receive a seven-year graduated deferral of any increase in taxes attributable to improvements on real property. The deferral schedule is determined by individual municipalities, with statutory minimums.

Such businesses also are eligible for the same working and venture capital, small-business financing, and job-training assistance as manufacturers and research & development facilities.

Residential Development

Qualifying projects are eligible for a seven-year graduated deferral of any increase in taxes attributable to improvements on real property. The deferral schedule is determined by individual municipalities, with statutory minimums.

ELIGIBLE AREAS

Urban Jobs Program

Development Investment Areas are the 28 communities eligible for all incentives under the Urban Jobs Program and the \$500-per-new-job grants. They are:

Ansonia	Hartford	Naugatuck	Norwalk	Sterling	West Haven
Bridgeport	Killingly	New Britain	Norwich	Thompson	Winchester
Colchester	Litchfield	New Haven	Plainfield	Torrington	Windham
East Haven	Meriden	New London	Putnam	Voluntown	
Griswold	Middletown	No. Canaan	Stafford	Waterbury	

Urban Enterprise Zone Program

There are 11 state-selected UEZs in Connecticut; they range from 125 to 1,250 acres and include a mix of industrial, commercial and residential neighborhoods. Zones are in the following communities:

Bridgeport	Meriden	New Haven	Norwalk	Waterbury	Hamden
Hartford	New Britain	New London	Norwich	Windham	

HOW TO APPLY

In order to qualify for incentives under either program, companies should contact the Connecticut Department of Economic Development before undertaking any construction, renovation, or acquisition project.

For Further Information

Connecticut firms contact:

Mark Feinberg, Business Services Director
203/258-4243

Out-of-state companies contact

James Musante, Business Recruitment Director
203/258-4245

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benefit and good, of the provisions under said sections is hereby declared as a matter of legislative determination.

(1978, P.A. 78-357, § 1, eff. July 1, 1978.)

Library References

Statutes ⇐184.

C.J.S. Statutes § 323.

§ 32-9p. Definitions

As used in subdivisions (59) and (60) of section 12-81 and sections 12-217e, 32-9p to 32-9s, inclusive, 32-23n and 32-23p, the following words and terms have the following meanings:

(a) "Area of high unemployment" means, as of the date of any final and official determination by the authority or the department to extend assistance under said sections, any municipality which is a distressed municipality as defined in subsection (b) of this section, and any other municipality in the state which in the calendar year preceding such determination had a rate of unemployment which exceeded one hundred ten per cent of the average rate of unemployment in the state for the same calendar year, as determined by the labor department, provided no such other municipality with an unemployment rate of less than six per cent shall be an area of high unemployment.

(b) "Distressed municipality" means, as of the date of the issuance of an eligibility certificate, any municipality in the state which, according to the United States Department of Housing and Urban Development meets the necessary number of quantitative physical and economic distress thresholds which are then applicable for eligibility for the urban development action grant program under the Housing and Community Development Act of 1977, as amended,¹ or any town within which is located an unconsolidated city or borough which meets such distress thresholds. Any municipality which, at any time subsequent to July 1, 1978, has met such thresholds but which at any time thereafter fails to meet such thresholds, according to said department, shall be deemed to be a distressed municipality for a period of five years subsequent to the date of the determination that such municipality fails to meet such thresholds, unless such municipality elects to terminate its designation as a "distressed municipality", by vote of its legislative body, not later than September 1, 1985, or not later than three months after receiving notification from the commissioner that it no longer meets such thresholds, whichever is later. In the event a distressed municipality elects to terminate its designation, the municipality shall notify the commissioner and the secretary of the office of policy and management in writing within thirty days. In the event that the commissioner determines that amendatory federal legislation or administrative regulation has materially changed the distress thresholds thereby established, "distressed municipality" shall mean any municipality in the state which meets compara-

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II. Applicant Eligibility

2. Census Tract Map

PLANNING & ZONING DEPARTMENT

PLANNING & ZONING DEPARTMENT



Census Tract	% Persons Low/Mod
5411	59.66
5412	41.65
5413	28.66
5414	39.77
5415	72.75
5416	80.38
5417	53.43
5418	43.08
5419	43.57
5420	43.04
5421	51.78

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II. Applicant Eligibility

3. Certification that at least 25% of the designated census tract is zoned or may be zoned for multifamily residential dwellings.

- a) Zoning Map
- b) Zoning Regulations for B-1
- c) Techniques used to increase affordable housing opportunities

1) Narrative on Zoning as submitted to the Department of Housing on behalf of the Middletown Housing Partnership

2) Report of Middletown Housing Partnership Zoning Subcommittee

3) Plan of Development-excerpts on housing

SECTION 11.3.b LAND USE REGULATIONS

A. Zone Designation

B-1 Central Business Zone

B. Zone Description

This zone is composed and limited to the Central Business area. The zone provides for the central retail, office, cultural and governmental activities of the community as well as high density residential use. Accordingly, these regulations are designed to permit retail development in the core of the community where there is a concentration of pedestrian activity. To these ends, the regulations establish standards retaining such intensity of use and concentration of pedestrian and vehicular as is compatible with the function of this zone.

C. Permitted Uses (Section 61) in Zone B-1 - Central Business District

Section 61 Business Zones, Industrial Zones and Other Non-Residential Zones Use Schedule

61.00 No land shall be used or occupied and no structure shall be erected, constructed, reconstructed, altered or used, except for any use of the following permitted uses, special exception uses, accessory uses, permitted home occupation uses or uses by temporary uses.

In any case where a use is alleged to be similar to a specified use referred to in the following schedule, its status shall be determined by the Commission by reference to the most clearly similar use or uses that are specifically referred to in the use schedule or declare that the use is not similar. When the status of a use has been so determined, such determination shall therefore have general applicability to all uses of the same type.

61.01 Permitted Uses - the following uses may be operated as permitted uses:

61.01.05 Banks - savings and loan companies, finance companies and similar services.

61.01.08 Commercial schools and art studios - including automobile driving schools, business colleges, trade schools, dancing studios, photographic studios, radio and telecasting studios.

61.01.09 Commercial parking lots, need not be enclosed.

61.01.12 Eating and drinking places - including soda fountains, ice cream parlors, tea rooms, private dining rooms and restaurants, banquet halls and clubs, subject to all applicable regulations and such permits and licenses as may be required by, but not including, drive-in restaurants.

61.01.14 Entertainment - including theaters, radio and television studios, bowling alleys, assembly halls or similar places of assembly or entertainment.

61.01.17 Hotels and Inns - but not including motels.

61.01.20 Mortuaries or funeral homes - including ambulance service.

61.01.21 Newspaper and job printing.

61.01.22A Non-commercial uses such as churches and other places of worship; libraries, museums and similar institutions; medical and dental clinics, private clubs or lodges.

61.01.22B Housing for the elderly or handicapped within 1,000 feet of public transportation and shopping; single family dwelling detached; two family dwelling; urban core living units.

61.01.23 Office buildings - including general and professional tenants as well as banking, savings and loan and other financial institutions.

61.01.25 Public building - including post office; fire and police stations; bus passenger terminal, telephone exchange or office or other public utility office; and governmental buildings.

61.01.28 Recreation (commercial) - including billiard parlors and pool halls; bowling alleys; night clubs; theaters and other assembly halls; subject to all applicable regulations and such permits and licenses as may be required by law, and expressly prohibiting drive-in theaters.

61.01.30 Restaurants - with or without alcoholic beverages.

61.01.31 Retail business - whose principal activity is the sale of merchandise in an enclosed building (except automobile sales, boat sales, mobile home sales, etc. which tend to detract or interfere with a high intensity of pedestrian shopping activity).

61.01.33 Retail sales in which both a workshop and a retail outlet are required, such as interior decorating, dressmaking, upholstering, printing, photographic reproducing, radio and home appliances, provided that no more than fifty (50%) percent of the total usable floor area of the establishment shall be used for servicing, repair or processing activities.

61.01.34 Retail services - including grocery stores; supermarkets; fruit, meat and vegetable stores; drug stores; garden stores; barber shops; beauty parlors; clothes cleaning and laundry pick-ups; art and antique shops, artists supply stores; repair shops, self-service laundries; department stores including discount houses; variety and dime stores; dry goods and apparel stores; mail order houses; and, similar uses.

61.01.35 Service establishments, including barber shops and beauty parlors; dry cleaning and laundry pick-up stations for work to be done elsewhere; dry cleaning, using non-inflammable cleaning agents only, for work accepted on the premises; locksmith; radio and television repair

shop; shoe repair; tailoring, dressmaking and pressing; newspaper stand; automobile services and repair except body repair and paint work (limited to three (3) automobiles per by on the site at any one time) in enclosed building; and, similar uses.

61.01.40 Rooming Houses

44.08.30 Rooming House Uses

1. The facility must connect to public water and sewer.
2. The size of the rooming house must conform to the following requirements:

Lot Area: 1,000 square feet per person

Frontage and Yards: Same as in Residence Zone
which determines the lot area.

D. Special Exception Uses (Section 61.02) in Zone B-1

61.02 Special Exception Uses - The following uses by special exception may be permitted in accordance with the provision of Section 44.

61.02.02 Automobile filling station when it is in an integral part of a major parking facility (44.08.14)

61.02.03 Automobile filling station when it is in an integral part of a major shopping area (44.08.14).

44.08.14 Automobile Filling Station When It Is In An Integral Part Of A Major Shopping Area Or Major Parking Facility

Upon the findings, under the provisions of this Section, by the Zoning Board of Appeals, and subject to the following regulations:

1. Is contained in a structure, limited in size, to two (2) supply storage spaces;
2. Is limited in function to dispensing gasoline, oil, grease, anti-freeze, tires, batteries and automobile accessories directly to motor vehicles and to washing, polishing and servicing motor vehicles only to the extent of installation of the enumerated items;
3. Does not rent or sell motor vehicles, trailers or general replacement parts; does not overhaul, tune up or repair motors or bodies; does not provide brake relining service, wheel alignment, upholstery work, auto glass work, painting, welding, tire recapping or auto dismantling;
4. Parks no vehicles, being serviced or stored for customers, on streets, alleys, public sidewalks or public park strips;

ZONING USE SCHEDULE

Section 23 A MX Zone

Multi-Family and Miscellaneous Uses as shown in the Use Schedule, Section 60.
The geographic locations of the zones are shown on the official zoning map.

PERMITTED USES

Single-Family Dwelling, detached

Two-Family Dwelling

SPECIAL EXCEPTION

Ambulance Service

Child Care Facility

Fraternity, Sorority House

Private Clubs, Service Organizations

Hospital, Medical, Dental Clinics

Elderly Housing

Professional or Business Offices

Neighborhood Stores

Public Utility Buildings

Multi-Family

Adaptive Historic Preservation use harmonious with the physical characteristics and originally designed use of the Structure

Banking

Libraries, Museums and similar institutions of a non-Commercial nature

Nursing Homes

Rooming House

Bus-Stop Shelter

ACCESSORY USES

Business Office if for business incidental to use of building
Incidental services for convenience of occupants

Section II.3.

As becomes evident from the zoning map and corresponding regulations for the B-1 and MX zones, 100% of the area proposed for a Housing Development Zone is zoned for multifamily residential use, albeit sometime by special exception.

(It is the nature of zoning in Middletown to consider each project individually and most development is permitted by special exception.)

The report from the Planning Director to the Middletown Housing Partnership on the relationship of the Planning and Zoning program to Affordable Housing not only gives the history of Middletown's efforts toward promoting diverse and affordable residential development but also answers the questions on zoning techniques. Also included in this section is a copy of a letter to Ms. Rosalind Silverstein of the Department of Housing which further explains the efforts of the Zoning Subcommittee. Finally, the draft of the new Plan of Development addresses the questions of zoning techniques and affordability of housing in some detail. Of special interest in this regard is Chapter IV on Housing (p. 42); and, more particularly, the sections on Affordability (p. 55) and Recommendations (p. 60).

Other sections of the Plan of Development have been included which describe both the city and its population. These demographic studies are the most recent that we have and show much of the same material as the HAP, the Midstate Housing Needs Assessment and the Middletown Housing Partnership Needs Report.



STATE OF CONNECTICUT

DEPARTMENT OF HOUSING

WILLIAM A. O' NEILL
GOVERNOR

JOHN F. PAPANDREA
COMMISSIONER

January 16, 1990

William M. Kuehn, Jr.
Director
Municipal Development Office
Middletown, CT 06457

RE: Connecticut Housing Partnership Program

Dear Director Kuehn:

We are in receipt of the zoning documents from the Middletown Housing Partnership that you submitted for consideration under the Connecticut Housing Partnership Program.

We have reviewed the materials submitted and are pleased to inform you that the Zoning Review and Potential Zoning Revisions submissions have been approved, and are the third and fourth steps toward receiving Development Designation.

As you are aware, the remaining steps to receive Development Designation are: preparing a Land Inventory; developing a set of Long Range Plans and Goals; preparing a set of Written Procedures for achieving these plans and goals; and identifying the Partnership's first affordable housing activity. Please refer to the attached Guideform for Development Designation for the specific recommendations for each step.

We look forward to continued success in working with the Middletown Housing Partnership in meeting the affordable housing needs of our state.

Should you have any questions or require further guidance, please do not hesitate to contact Margaret Morton at 566-1936.

Sincerely,

Patricia Downs
Director

Policy and Planning Division

PD/mcs

Enclosure

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ZONING CODE AND THE SUBDIVISION REGULATIONS TO THE DEVELOPMENT OF
"AFFORDABLE HOUSING" in the City of Middletown, Connecticut.

Prior to the adoption of either a zoning code or subdivision regulations, a municipality must adopt a Plan of Development which articulates specific goals to be obtained. In the case of housing, the Middletown Planning & Zoning Commission adopted the following goal: "To provide and maintain a supply of high quality housing, which can accommodate a population of diverse economic levels, ethnic backgrounds and family size by providing ample freedom of choice in housing accommodations".

Closely related to the specific housing goal is the following social oriented goal: "To create opportunities and settings that help individuals and groups develop their self-sufficiency, well being, social adjustment, and development".

The goals of the Plan of Development have been fully reflected in Middletown's land-use regulations. A broad brush view follows.

In 1968 the Middletown P&Z Commission adopted a Planned Residential Development provision in the Zoning Code that had truly amazing provisions for flexibility of all the common zoning code features usually cited as constraining good development. Among the flexible features were: a mix of housing types - detached single family as well as multiple family; no yard requirements-front, rear, or side; street widths varied with the specific function such as a sixteen foot wide one way travel way; a path system replaced the usual sidewalks; and open space was a major design feature. Density in the PRD's was increased by 25% as a reward for the extra effort needed to design the large project as a single unit rather than have development take place on an incremental lot by lot basis. Middletown has five PRD's. The first, called Wesleyan Hills, was sponsored by Wesleyan University and has nearly 700 dwellings in place. It still is not completed. The largest PRD project is named West Lake and has over 3,500 dwellings in place, including 200 units built as low-cost housing using the then available Federal 235 Program.

The PRD's were not, of course, the only housing developed in Middletown during the decades of the '70's and '80's. Dwelling units were constructed for the elderly as well as for non-standard income people by developers using a wide variety of available Federal and/or State financing programs. The Middletown Zoning Code not only permitted these projects but they also had the support of the community as well as the Governing Body. A list showing many of the projects is attached.

Particularly noteworthy in terms of producing dwelling units is a feature of the Middletown Zoning Code that permits converting old buildings that had been built for one purpose into new contemporary uses - called an adaptive reuse. At least three former schools and several former mill buildings have been converted. These projects have used Federal and/or State funding programs that were available, including special arrangements to provide for non-standard income people.

The adaptive provision of the zoning code is directly related to the community interest in preserving and restoring its historic fabric. The need for housing, the interest in preserving historic and architecturally significant buildings and the availability of Federal Income Tax Credits have all come together in these adaptive reuse projects. The number of dwelling units permitted in each project has been determined as a result of the physical features of the building.

In terms of zones and permitted uses, the Middletown Zoning Regulations contain several zones that permit reasonably high density multi-family dwellings. Two zones are designed specifically for multi-family dwellings: the M or multi-family zone and the MX zone, which permits offices as well as multi-family uses. The M and MX zones permit densities in terms of the number of bedrooms. In addition to the M and MX zones, which are located near major streets but away from the City's Central Business District, there is a Zoning Code provision that permits what is called an Urban Core Living Unit in the CBD and another area close to the CBD, called the Transitional Development Zone. In both the CBD and TD zones new and renovation projects are taking place. The specific relationship of these high density potentials in terms of producing non-standard cost housing is a by-product of financing arrangements. The goal of the City is to maintain its current and growing dynamic economic status while meeting its articulated Plan of Development goal promise of providing a wide range of housing opportunities.

The Middletown Planning & Zoning Commission has also made a flexible provision in its regulations controlling lot sizes for single family dwellings that tend to encourage a developer to offer homes at a lower price than might otherwise be possible. An example is that if a new subdivision of land is proposed in a geographic location that already has lots with less street frontage than required by the zone the area is designated, the Commission may approve the new subdivision with lots with the same frontage as the existing lots. This flexible lot provision has been used for a number of small scale subdivisions.

The Planning & Zoning Commission has also conducted public hearings to consider permitting the development of "accessory apartments" in existing single family homes. Although not adopted after the hearings, the concept will be studied further and probably brought back for consideration in the future. The Commission has also "liberally interpreted" its regulations concerning how existing housing may be occupied by an expanded family membership concept.

The Commission's staff monitors proposed amendments to the State Enabling Legislation to be alert to either mandatory requirements or permissive opportunities to advance the Commission's housing objectives.

Bonus density.

Developer may construct the permitted number of dwelling units plus an additional bonus number with the bonus units to be sold at a controlled price. This concept would be particularly successful if the difference between the market value of the units and the actual sales price was refunded to the developer by the State Dept. of Housing.

Fragment of land lots.

There are throughout the City small fragments of land that could be used to build single family housing. Many of the potential lots are in well established neighborhoods. The parcels result from a number of reasons including the abandonment of streets, real or paper, and old subdivisions with fifty foot wide strips of land once intended to provide access to rear land behind lots laid out along an existing City street but now no longer needed because the rear parcel has been developed with some other access point.

In the instance of fragment lots found to be in the City's ownership (or obtainable for City ownership because there is no clear owner and no taxes have been paid on them for years), small scale builders could be given the opportunity to bid on the right to build housing which they would agree to sell at a price in harmony with the "affordable" formula established by the DOH.

High profile special occupation housing.

As an inducement to keep or attract personnel with critically needed job skills (medical, teachers, police/fire, etc.), housing could be built on the same site as existing community owned facilities - such as school sites built on large tracts of land. This housing could be controlled in cost by pre-construction bidding and firm agreement. The housing could be provided as a temporary shelter during the time the critically skilled people became oriented to the community and had time to find more permanent homes.

The Zoning Code Of the City of Middletown has historically, and presently, made ample provision for the construction of a wide variety of housing types and densities. Single family detached housing is provided for in zones ranging from RPZ and R-15 (15,000 SF lot size) to R-60 (60,000SF lot size). Multifamily housing (attached housing units) is allowed in zones M, MX, PRD, and MR. The allowable densities in these zones allow from six to ten units per acre. The City has recently adopted additional zones for multihousing development, to include the use of publicly owned land (by special exception) for the construction of affordable housing at a variety of densities.

The total land area of the City of Middletown is approximately 27,200 acres, of which 20,380 acres are presently zoned for residential use. This represents 75 percent of the total City land area. There are presently approximately 5500 acres of land zoned for residential use, at a variety of densities, which are classified as "vacant" on the City Assessor's records. This is exclusive of land in residential zones which are underdeveloped, or are presently in another use. The chart below shows the residential zones with the "vacant" acreage within each, and the number of additional housing units that could be developed. This number of additional housing units is qualified by using a factor of eighty percent (80%) of the total, acreage as being developable.

<u>ZONE</u>	<u>VACANT ACREAGE</u>	<u>ADDITIONAL HOUSING UNITS</u>
RPZ	85.19	198
R-15	545.89	1,260
R-30	1,052.80	1,223
R-45	656.53	508
R-60	3,065.20	1,780
M	33.50	268*
MX	73.24	255
PRD	16.53	124
MR	0.00	0

Note: The M Zone density is based on an allowance of 10 units to the acre for one (1) bedroom units. For two(2) bedroom and three (3) bedroom units, the additional units allowed would be 214 and 160 respectively.

This chart shows that a total of 5,616 additional dwelling units could be constructed on residentially zoned land presently classified as vacant .Of this amount ,twenty six percent (26%) is within zones which allow for small lot (one third acre) detached dwelling units; and twelve percent (12%) are within multihousing zones. Although larger lots and lesser densities then allowed in these zones do not preclude the construction of affordable housing, land costs play a significant role in the ultimate cost of housing. The figures presented above are intended to show where development can be maximized, and, presumably, where land costs can be reduced through their allocation over a maximum number of housing units. Under this premise, thirty eight percent (38%) of vacant land zoned for residential use , which could allow for 2,105 housing units, would meet zoning criteria for affordable housing.



City of Middletown

MUNICIPAL DEVELOPMENT OFFICE
66 KOVEN DRIVE, MIDDLETOWN, CONNECTICUT 06457
(203) 344-3419

December 11, 1989

Rosalind Silverstein
State of Connecticut
Department of Housing
1179 Main Street
Hartford, CT 06103-1089

Dear Ms. Silverstein:

In response to your inquiry about how the Middletown Housing Partnership reviewed their zoning codes I am including the brief narrative, and resubmitting the report of the Zoning Subcommittee entitled "Report Concerning the Relationship of the Planning Program, the Zoning Code and the Subdivision Regulations to the Development of Affordable Housing."

Since the time of the last submission, the Planning Department has completed a draft for new Plan of Development which is about to get underway. That document has a section on housing affordability which I am also including for your review.

What I can say about the process is that, to date, the Zoning Subcommittee of the Partnership, the Plan of Development Subcommittee of Planning & Zoning, the professional planners on both Municipal Development and Planning & Zoning staff and now, the entire Commission and the public have considered how to promote affordability in the regulations. Middletown has had a good track record for this type of zoning, and until State statute is changed or clarified to allow exactions and impact fees which could be steered toward affordable housing, the only real change seen to be needed now is the offer of a density bonus.

One of the questions mentioned, but as yet not resolved, is that of road standards as designated in the subdivision regulations. There is a provision for "Environmental Subdivisions" in which there is a great deal of leeway for road standards. One was approved last year which had unpaved roads. Even though these regulations are geared toward the preservation of open spaces and environmentally sensitive areas, they do, in fact, offer the opportunity for a less expensive development through the clustering of the housing and lightening up of the road standards.

Insofar as the consideration of specific projects is concerned there are several areas being actively pursued, both of which you mentioned. The Partnership is in the process of setting up an "Affordable Housing Fund" which has also received its first contribution and which is also a recommendation of

Page 2. Letter: DOH
Date: 12/11/89

the Plan of Development. In addition, P&Z recently considered a fairly large subdivision in which the developer has asked for a density bonus in exchange for the building of "affordable units." Although it was denied for other reasons, the density bonus idea was acceptable and the developer asked to resubmit his proposal with certain environmental changes. The formula recommended in the Plan of Development is a zone change under consideration which, if passed, could lead to the construction of more affordable units, on a special exception basis.

Also, there is a proposal being considered next week for a change to the zoning code which would lower the cost of single family housing by allowing smaller lots in areas which are already mostly developed on lots of less size than present zoning requirements.

I hope this answers some of your queries. For more in-depth discussion of the Plan of Development or the particular applications to P&Z which would affect housing affordability, you may wish to contact the Planning Director, George Reif (who is a member of the Partnership) or William Warner, the Assistant Planner.

Very truly yours,

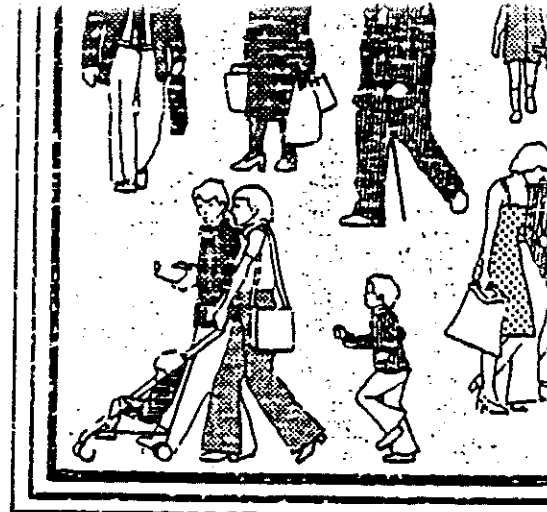
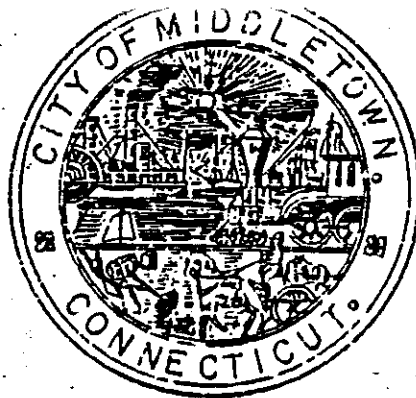
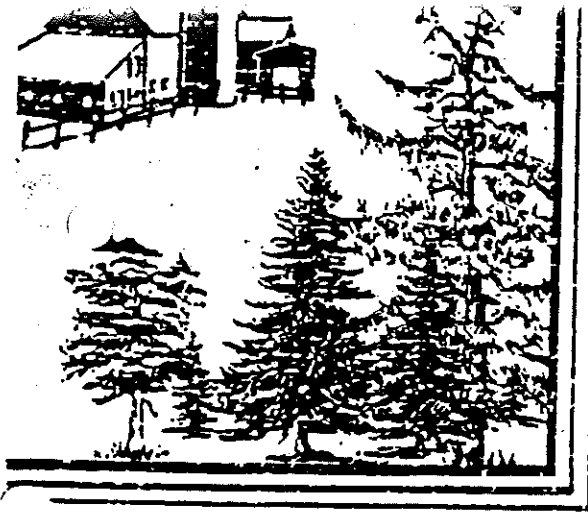


Cynthia G. Wilcox
Project Officer

CGW/is
Attachment

Narrative

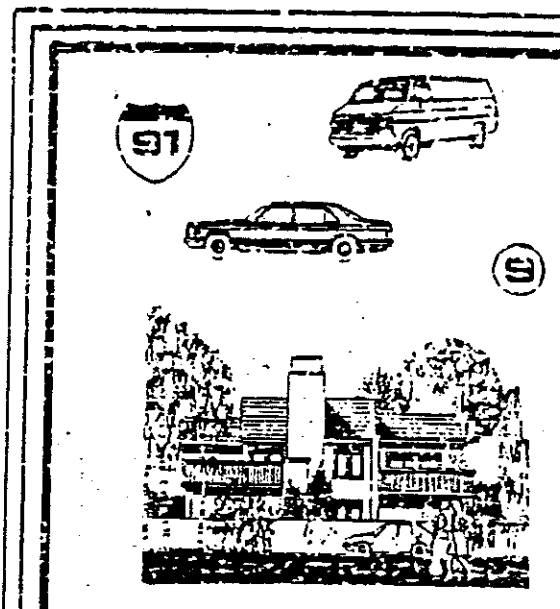
1. Housing Partnership formed August 8, 1988 by Ordinance.
2. Zoning Subcommittee formed November 14, 1988 consisting of Planning Director, George Reif, P&Z member Vincent Loffredo, Richard Kreh of Farmers & Mechanics Bank and Wetlands Commissioner William VonMahland.
3. All members were supplied with Zoning and Subdivision regulations plus maps for current land use, zoning districts, Plan of Development and State and municipally owned properties.
4. All members supplied with numerous articles and booklets regarding zoning strategies for promotion of affordable housing from HUD, DOH, APA, NAHRO, several trade magazines including Planning, Governing, Community Development Digest and local and regional newspapers.
5. Subcommittee met several times and subsequently reported to the full Partnership on the following:
 - a. Study of recent history of Middletown's zoning policy.
 - b. Comparison of present codes against standards for affordability.
 - c. Discussion of exactions, density bonuses, etc. not yet authorized by State Statute.
 - d. Discussion of specific developments which might produce more affordable units.
6. The entire Partnership voted to support one particular project (which unfortunately was denied anyway). It has not had the opportunity to address the others to date.
7. Zoning Subcommittee (unofficially) disbanded in June 1989.



GUIDING THE FUTURE:
A PLAN OF DEVELOPMENT
FOR THE YEAR 2000



PLANNING & ZONING
COMMISSION
MIDDLETOWN, CT.
SEPTEMBER 27, 1989



ACKNOWLEDGEMENTS

MIDDLETOWN PLANNING AND ZONING DEPARTMENT

George A. Reif, M.C.P., Planning Director
William Warner, M.U.R.P., Planner
David Ziegman, B.S., Planning Technician
George Lapadula, Zoning Enforcement Officer

Hope Kasper, Admin. Secy.
Ellen Stevens, Clerk Typist
Kelly Riordan, Intern

PLANNING AND ZONING COMMISSION

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V-CHAIRMAN: Ann Loffredo
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William Pillarella
John Robinson

EX-OFFICIO: Sebastian Garafalo, Mayor
Sal Fazzino, Dir. P.W.

ALT-MEMBERS: Christine Lindquist
Francis Patnaude
Vincent Loffredo
Richard Thompson

The Planning and Zoning Department wishes to acknowledge the special efforts of the following members of the Plan of Development Committee:

CHAIRMAN : Stephen T. Gionfriddo
V-CHAIRMAN: Ann Loffredo
SECRETARY: Stephen Gadomski
MEMBERS: Jan Johnson
Melanie Giamei
Katchen Coley
Wayne Reed

Charles Harris, Ann Bickford, and George Souto are also deserving of much recognition. Their contributions of time and work, comments and suggestions were greatly appreciated.

EXECUTIVE SUMMARY

INTRODUCTION: This portion is designed to give an overview of the purpose and legal basis for the plan, the city's geographic location, and a review of the historical considerations which have shaped the city.

This section then presents a statement of the goals of this Plan of Development update. These general goals relate to the economy, transportation, housing, natural resources, recreation, open space, community facilities, education, historic and cultural matters, urban design and city beautification.

More detailed Objectives and Strategies are then presented. These are designed as action steps to guide the city in achieving the general goals of the Plan of Development.

CITIZEN SURVEY: Included in this chapter is a summary of the findings of the citizen survey. These findings were used to shape subsequent portions of the plan.

POPULATION: This chapter was designed to give a historical review of the city's population and projections into the future. By analyzing future projections and age distributions the chapter is able to draw conclusions as to the make up of the future population.

HOUSING: This chapter in the plan overviews the current housing supply and makes projections of the future housing supply based on vacant land and the current zoning scheme. The chapter then presents an affordability needs assessment and makes general recommendations aimed at bridging the affordability gap here in the city.

NATURAL RESOURCES: This chapter is designed to display the city's recognition of the physical characteristics and valuable natural resources which make up the city. It is this recognition of these resources which will justify open space recommendations in the next chapter. Also in this chapter are sections on air quality and noise pollution and recommended strategies to mitigate potential air and noise pollution.

OPEN SPACE: This chapter inventories existing open space and makes recommendations for the development of open space corridors. The plan identifies areas as high priority for acquisition and Chapter 490 open space areas. This chapter 490 open space designation is designed to allow private land owners to apply for preferential tax treatment which will reduce the likelihood of them selling out to developers.

RECREATION; In this chapter a current inventory is presented and comparisons are made between the existing facilities and the standards as suggested in the State Comprehensive Outdoor Recreation Plan. The chapter also contains a neighborhood analysis, in regard to recreational facility catchment areas, and recommendations aimed at providing well maintained facilities to the future population.

TRANSPORTATION: This chapter first discusses the existing transportation network and places the existing roads into functional classifications. Recommendations for future improvements are then presented. These future improvements are broken down into Near Term Recommendations and Long Term Recommendations.

ECONOMIC: This section is designed to highlight the positive aspects of doing business in Middletown. It also addresses problems and potential problems and presents recommendations designed to correct these problems. This chapter then presents commercial area studies designed to incorporate policies into the Plan of Development to guide the future growth of these important areas in the city.

LAND USE: This final chapter discusses the various land use designations proposed on the Future Land Use Map.

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CHAPTER 1

INTRODUCTION

PURPOSE AND LEGAL BASIS FOR THE PLAN

Connecticut municipalities are authorized to prepare and adopt comprehensive plans of development by Section 8-23 of the Connecticut General Statutes. State law defines the plan as "a statement of policies, goals, and standards for the physical and economic development of the municipalities...In preparing the Plan, the Commission may consider physical, social economic and governmental conditions and trends...The Plan shall be designed to promote with greatest efficiency and economy the coordinated development of the municipality and the general welfare and prosperity of its people". Besides being mandated by State law, comprehensive planning and the plan of development are critical for sound decision making in Middletown.

The Plan provides an opportunity for the City to delineate guidelines for the best possible environment in Middletown. Preparing the Plan helps the City to clarify its thinking on local issues: on growth, on community facilities and programs, on economic development, on preservation and conservation, on transportation, and on housing and redevelopment.

Middletown's earliest Plan, adopted by the Planning Agency in the 1930's has been updated from time to time most notably in 1965 and 1976. The 2000 Plan is intended to see the City through the remainder of the 20th century. It is an extension of the past but is dedicated to a future Middletown.

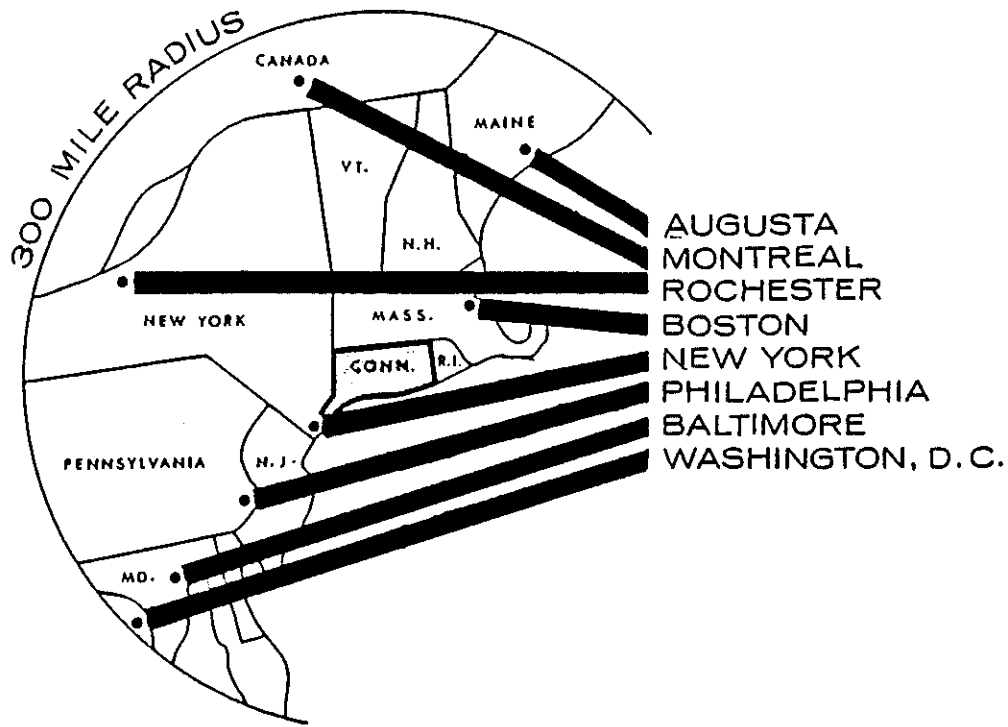
GEOGRAPHIC LOCATION OF MIDDLETOWN

Middletown is almost at the geographic center of Connecticut. It is approximately equal distance, 20 miles, from two key Connecticut cities, Hartford and New Haven. The City is also approximately equal distance, 100 miles, from New York City and Boston. Middletown is part of the eastern megalopolis reaching from Norfolk, Virginia at the southern end to Boston, Massachusetts at the northern end.

This geographic position has an undeniable influence on the future of Middletown. Within its own State designated planning region, Middletown is a mature urban center for the rural communities to the south and east. To the north and west Middletown is in the development shadow of Hartford and Meriden.

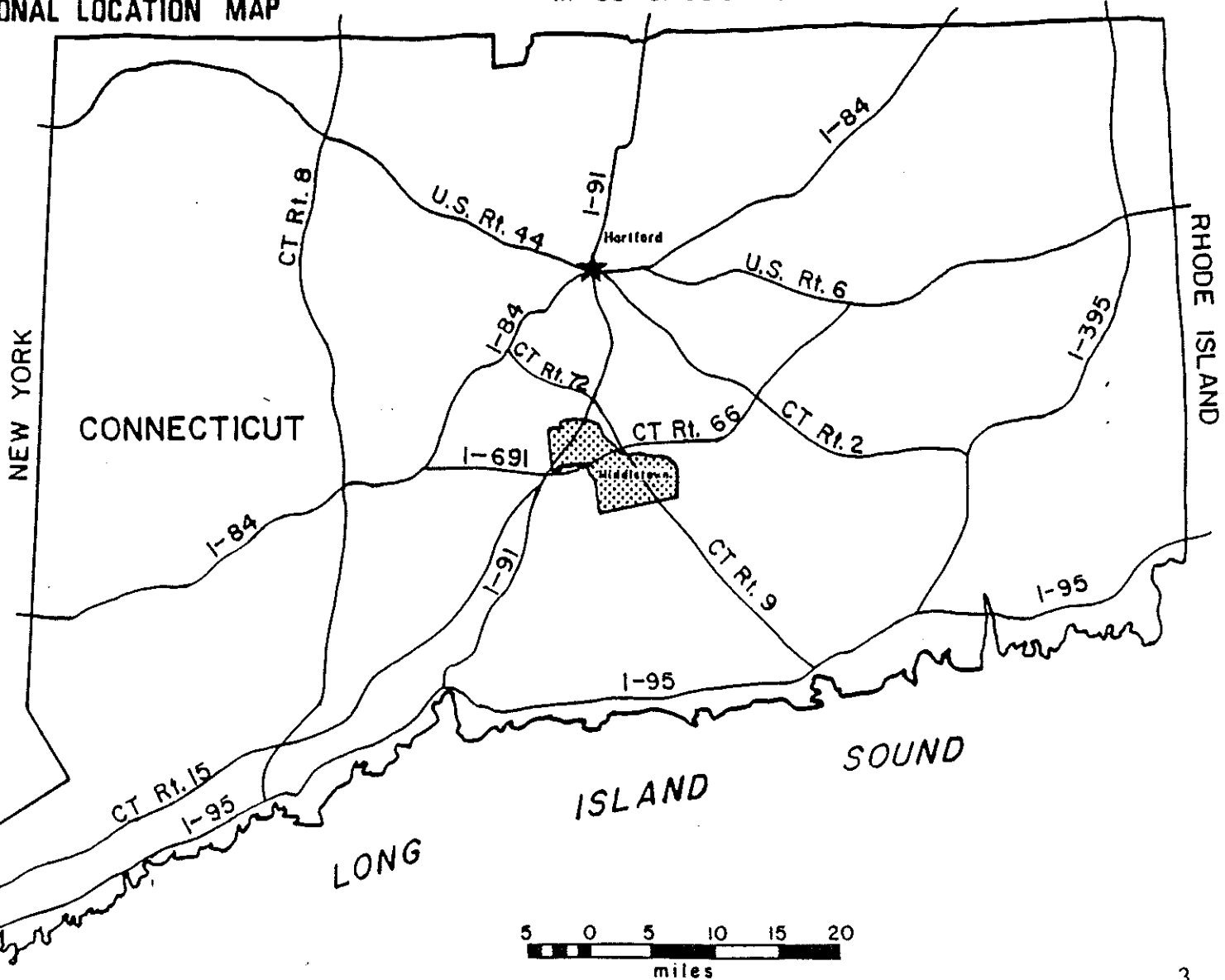
While Middletown is part of the urban and urbanizing eastern megalopolis and connected to the interstate highway system at the western boundary, it still has approximately 29% of its ground surface undeveloped. It is precisely for this reason that a Plan of Development to guide the growth in the City is essential. Middletown is in an advantageous position in terms of its options for its future course of development. Middletown can develop its own special combination of resources to be different from other communities in the State. It does not have to be dominated by industrialization nor must it exclusively play the role of a suburb. It can generate a unique complex of activities relating to the environment provided by its location on the Connecticut River, its rolling and protected landscape, and the qualities of a mid-sized New England city.

Middletown does not need to be unduly influenced by an irresistible set of forces which it cannot control. Its relatively slow growth, resulting in part because it was off to one side of the mainstream of development can turn out to be a major advantage. Whether or not the community will respond to the advantage is part of what the Plan of Development is all about.

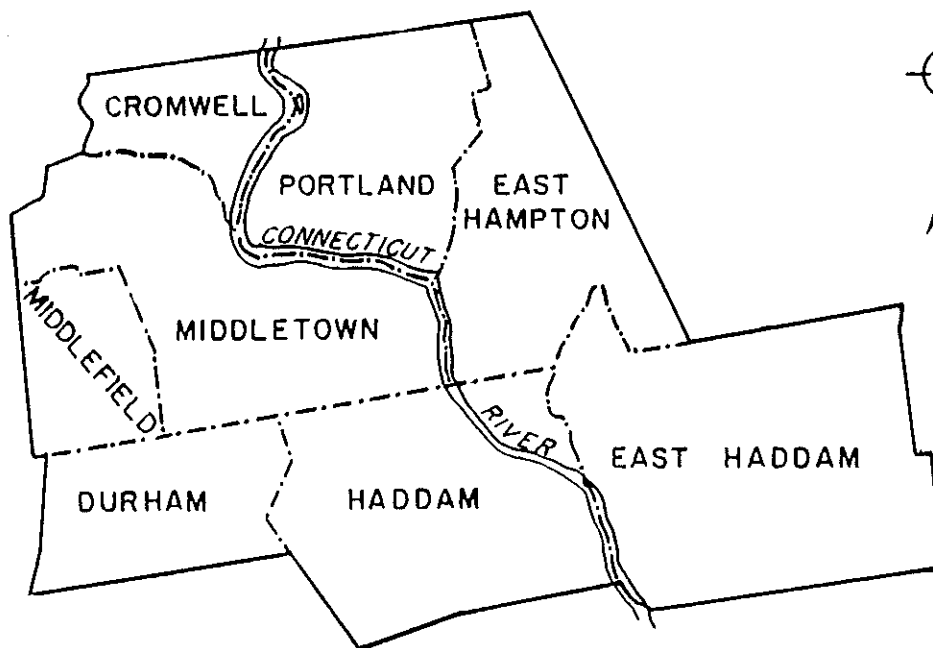
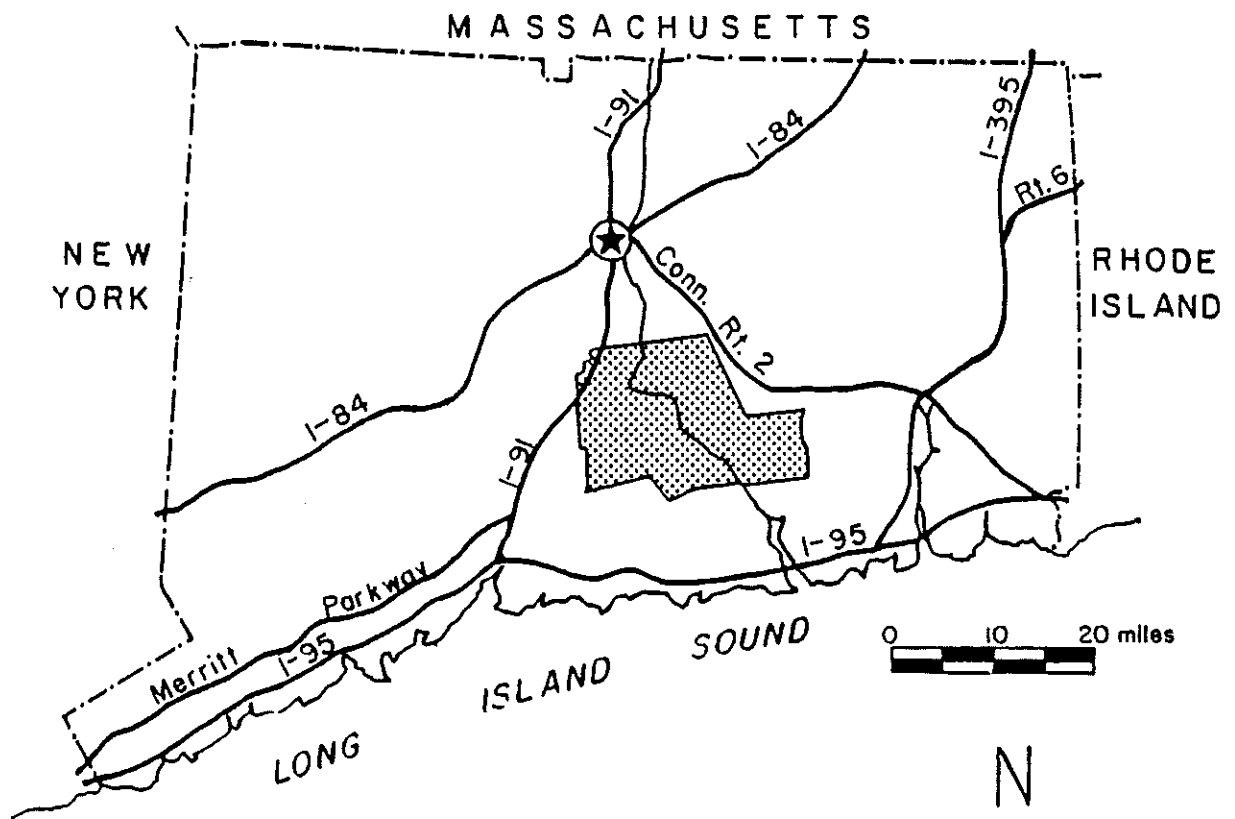


REGIONAL LOCATION MAP

MASSACHUSETTS



MIDSTATE REGION



GOALS OF THE 2000 PLAN OF DEVELOPMENT

An important part of a Plan of Development is the articulation of the City's goals. The following general goals are designed towards achieving the highest possible quality of life for the current residents and future residents of Middletown.

ON THE ECONOMY

To encourage balanced growth so as to insure Middletown of a sound fiscal position and a secure employment and tax base.

To encourage and assist existing businesses to remain, prosper and expand and to attract high quality, new businesses.

ON TRANSPORTATION

To develop an efficient transportation network which will minimize travel time and congestion and improve air quality city wide.

To provide for a variety of alternative transportation modes in order to reduce automobile traffic and continue to improve air quality.

To minimize the current peak hour traffic congestion in the Central Business District, using creative traffic channelization, intersection improvement, improved signalization, and staggered shifts among our major employers.

ON HOUSING

To continue to encourage diversity in the available housing stock in order to provide for and attract an economically and culturally diverse population.

To identify older neighborhoods in need of rehabilitation and adopt policies and regulations to encourage this rehabilitation while discouraging gentrification.

ON NATURAL RESOURCES

To identify, protect and preserve the significant natural resources in Middletown.

To provide for a healthy living environment by promoting clean air, reducing noise levels and continuing to provide and plan for clean water resources.

ON RECREATION

To provide for the optimal number of safe, well maintained, active and passive recreation facilities in areas most suited to service the diverse population.

ON OPEN SPACE

To establish a town wide, interconnected open space network for future generations.

ON COMMUNITY FACILITIES

To provide the optimal type and distribution of facilities and to effectively maintain and enhance the existing facilities.

ON EDUCATION

To promote well coordinated and comprehensive educational and training programs designed to equip students for a constantly changing job market.

ON HISTORIC AND CULTURAL MATTERS

To preserve historic and architecturally significant resources and to promote cultural activities in Middletown.

ON URBAN DESIGN

To require buildings and other structures to be of high quality design in order to create a healthy, safe, pleasant and attractive living environment.

ON CITY BEAUTIFICATION

To establish a new and innovative private non profit program in order to create a more aesthetically pleasing community.

STRATEGIES & OBJECTIVES

In this section the plan begins to narrow down to specific recommendations the broad and general goals which were articulated in the previous section.

ON THE ECONOMY

- 1.) Work with existing private non profit organizations in the city and state to assist existing businesses and attract new desirable businesses.
- 2.) Create a marketing brochure which highlights the benefits of doing business in Middletown and promotes the city's Central Business District.
- 3.) Analyze the future of major employers in the city in terms of state and national trends.
- 4.) Develop an early warning system to identify industries on the verge of cutting back or closing.
- 5.) Target those industries in trouble, and in need of assistance, and work with them to provide subsidies and other forms of assistance.
- 6.) Insure that high school graduates are equipped to be high quality participants in the labor force by developing a working partnership between private industry and the public school system. .
- 7.) Develop a program to monitor the hiring and promotion of city high school graduates by the private sector.
- 8.) Promote the expansion of day care and supervised after school opportunities.
- 9.) Promote programs to increase the hiring of persons with disabilities.
- 10.) Work with the Department of Labor to develop an effective training, retraining and job placement strategy, in order to be prepared in the event of a large business closing.

- 11.) Inventory existing, undeveloped land which is zoned for business uses in order to identify shortages, and then react to these shortages.
- 12.) Concentrate retail sales, specialty shops, governmental and legal activities in the Central Business District.
- 13.) Adopt an aggressive and creative marketing campaign to attract more people to the Central Business District.
- 14.) Inventory and acquire new tracts of land, particularly in the Industrial Redevelopment Zone, for the development, with the states assistance, of small industrial incubator facilities, as allowed for in Chapter 132 of the Statutes.
- 15.) Market available land and buildings, with the intent of attracting high growth industries for the year 2000 and beyond.
- 16.) Maintain and economically sound balance between residential, commercial and industrial property taxes.
- 17.) Amend Zoning Code to allow for the incorporation of fiscal impact analysis for large residential special exception uses, in order to better understand the fiscal ramifications of the development.

ON HOUSING

- 1.) Avoid zone changes allowing for residential density increases which would over burden the capacity of the city's infrastructure.
- 2.) The Housing Partnership and private developers should be encouraged to provide affordable housing in a manner as discussed in the affordability section of the Housing Plan.
- 3.) Adopt regulations which will lead to the gradual revitalization of older, problem neighborhoods by the private sector.
- 4.) Address the problems in existing neighborhoods which tend to be losing vitality.
- 5.) Consider the fiscal impact, in terms of city services, of large residential special exceptions prior to their approval.

CHAPTER 2

HOW DO MIDDLETOWN CITIZENS FEEL ABOUT THEIR CITY?

In July of 1989, 3057 surveys were sent to households of registered voters throughout the city of Middletown. The purpose of the survey was to document public attitudes, for this Plan of Development, toward the problems and prospects concerning future growth and other issues pertinent to the Plan of Development. More specifically, the survey asked for citizen input regarding choices and priorities concerning housing, the local economy, recreation, open space, urban problems, safety, traffic, community facilities, environmental concerns and neighborhood improvement. The Planning Department considers the survey results to be a strong and meaningful statement from the citizenry regarding efforts to formulate a future direction for the city.

A total of 949 or 32 % of the surveys were returned within the next month. By any statistical measure a citywide return of 32 % is indeed impressive. It shows that the people of Middletown have a genuine interest in helping to shape their communities future.

WHO RESPONDED TO THE SURVEY?

The majority of those responding to the survey were long time residents of the city. The average number of years that survey respondents had lived in the city was 30 years. The age distribution of the respondents was as follows:

<u>AGE DISTRIBUTION</u>	
18-30	16 %
31-45	31 %
46-64	25 %
65-up	30 %

The majority of respondents (54%) lived in single family homes with 33% living in apartments and 13% in condominiums.

When asked where the respondents work 49 % indicated in Middletown, 40% indicated outside of the city and 11 % indicated retired.

The average household size in the city was 2.5 persons per household. This figure is the same as the average household size for the city in the 1980 U.S. Census of the Population.

This figure strongly supports the Planning and Zoning Department population estimates for 1989, included in the population chapter of this plan, which were considerably higher than the State Office of Policy and Management estimates.

THE SURVEY FINDINGS

The majority of the information coming from the survey, which is incorporated in its entirety into this Plan of Development, will be particularly useful in the Community Facilitates and Capital Improvements portion of the Plan of Development.

The following highlights were especially useful, to the Planning staff and the Plan of Development Sub Committee, in formulating goals, objectives recommendations and maps for this portion of the Plan.

- 1.) The overwhelming majority of respondents are quite satisfied with their dwelling unit and their neighborhood.
- 2.) Sixty percent of those responding to the survey agree that the town should increase the supply of low and moderate income housing.
- 3.) It appears that multi-family dwellings should be dispersed throughout the city. But, the comments to this question suggest that the city should avoid increasing residential densities.
- 4.) The majority of respondents felt that Middletown should actively pursue further Commercial and Industrial development. Respondents clearly recognize the importance of the Commercial and Industrial portion of the city's tax base.
- 5.) Air quality and solid waste disposal are important issues here in the city.
- 6.) More open space land acquisition, dispersed throughout the community, is strongly desired. (81%)
- 7.) The majority of respondents are in favor of the establishment of bicycle, hiking and jogging trails.

8.) A slight majority of the respondents were opposed to the development of a municipal golf course by the city. This is most likely the result of the respondents taking into consideration the tax consequences of such a large municipal project.

9.) A majority of respondents would like to go places in the city at night but do not because they would not feel safe. The majority of respondents indicated that these places were downtown, particularly the north end, and the Harbor Park area.

10.) The majority of respondents shop for food in the city and for clothing outside of the city.

11.) There is a large consensus that the library is an excellent and frequently used facility.

12.) When asked What new programs and facilities would you like to see in Middletown, the most common responses, among those who responded, were as follows:

More Library parking	Preschool programs
Teen activities	Adult recreation
Movie theater in CBD	More playgrounds
Better ice skating area	Road improvements
Development Moratoria	Art programs
Dance programs	More tennis courts
Improved recycling	Improved park maintenance

13.) When asked How can the city improve its appearance, The reoccurring improvements, from those who responded to this question, were as follows:

Remove vagrants from CBD	Remove soup kitchen from CBD
Clean up CBD	Increase tree plantings
Clean up river front	Address north end problem
Move soup kitchen to CVH	More flower beds citywide
Improve public housing areas	Improve access to the river
Widen Route 66	More open space
Less multi-family development	

14.) When asked other than price why would you not shop in downtown Middletown, the majority of those responding to this question indicated that a lack of variety was the major reason why they would not shop in the downtown area. The other reoccurring reasons for not shopping in the downtown were as follows:

Parking
Vagrants
Unsafe feeling
Not convenient

Traffic congestion
Lack of quality stores
Lack of a true department store

**HOW THE UPDATED PLAN OF DEVELOPMENT RECOMMENDATIONS REFLECT
THE RESULTS OF THE PLANNING AND ZONING SURVEY OF CITIZENS**

This updated Plan of Development for the year 2000 and the Zoning Code and regulatory changes recommended by the Plan of Development Sub Committee and Planning staff are designed to reflect the public preferences expressed through the survey.

There is an emphasis on issues concerning air quality and the plan contains several new chapters and sections. These new chapters and sections include, to mention a few, a housing affordability section, an aggressive economic development chapter with commercial area studies and also natural resource and open space chapters which recognize and recommend the preservation of valuable natural resource areas.

CHAPTER 3

THE PEOPLE - HOW MANY ?, THEN, NOW AND TOMORROW

An important part of any Plan of Development framework is the gathering and analysis of information in regard to population trends and projections. This section is essential in a Plan of Development for it helps to describe the extent and quality of the present and potential labor force and, at the same time, population and age distribution projections will help to indicate the level of services and the expenditure of funds which may be required for education, elderly services, day care, and other public and quasi public functions.

The most valuable source of demographic information is the United States Census of the Population. While the 1980 census data is available, it is dated. For this reason, this section will pull together information from a variety of reliable sources. When the 1990 Census becomes available this section will be updated and adopted as part of the Plan of Development.

REGIONAL TRENDS

Middletown does not stand alone as an island. The road network provides surrounding communities access to the city and, in particular, the city's downtown. For this reason, it is important to first review the demographics of the region which Middletown is in. Middletown and seven adjacent towns are in the "MidState Region". This region constitutes Middletown's primary trading area and "area of influence". The communities of the region are, to a considerable extent, interdependent. Growth and development of each will depend on the growth of the whole. Figure 3.1 displays this region in relation to the rest of the state. Table 3.1 shows the trends of population in these communities. From this table it is clear that Middletown contributes significantly (44 %) to the entire regions population. But, in 1940 Middletown's population comprised 64 % of the region's population, in 1950 the figure was 50% and in 1980 the figure was 45 %. These figures are a reflection of the decentralizing suburbanization trend which has been occurring nation wide.

MIDSTATE REGION

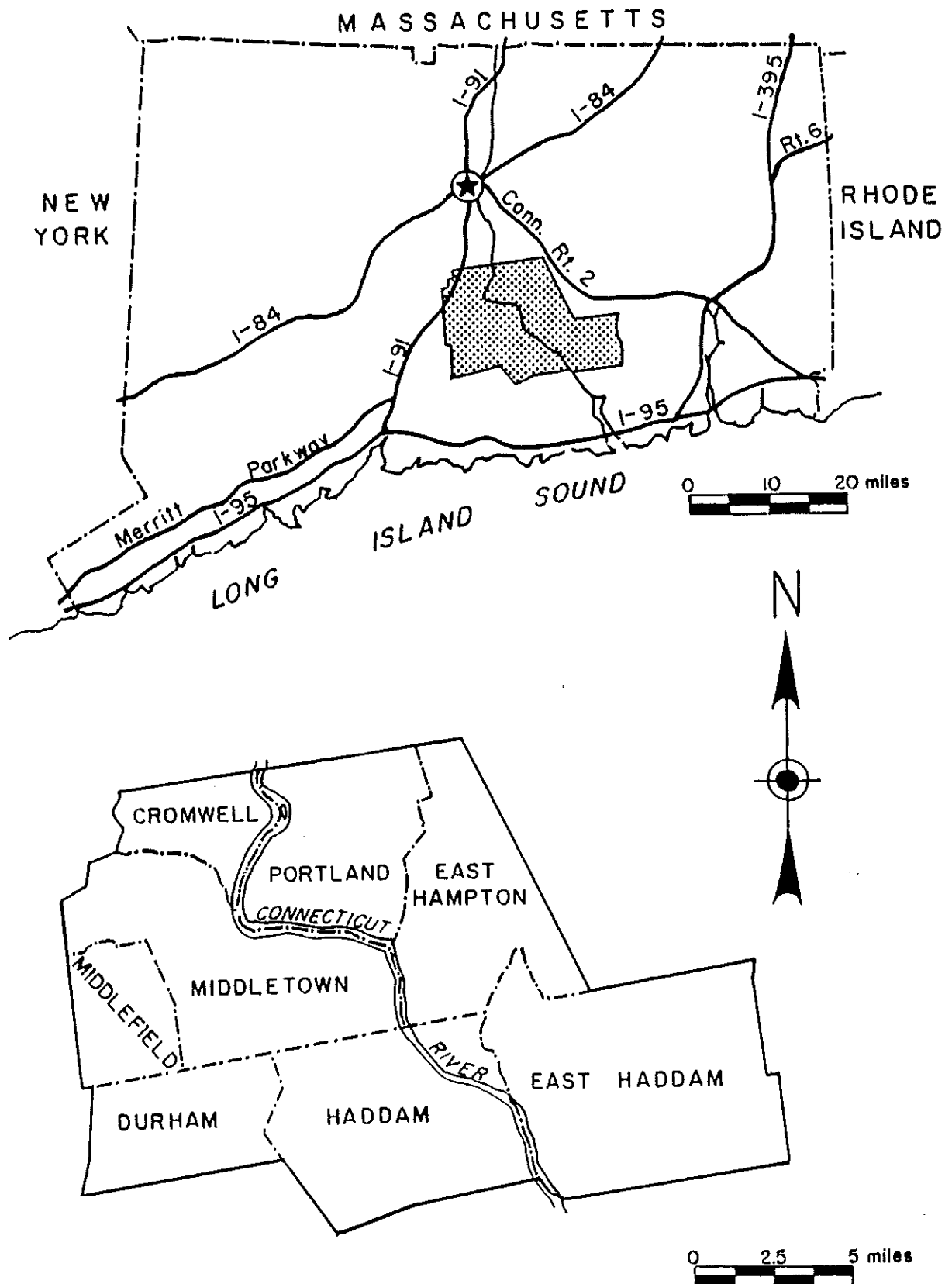


FIGURE 3.1

TABLE 3.1
TOTAL POPULATION 1980, 1986 ESTIMATE

TOWN	1980	1986	% CHANGE
Middletown	39,040	41,220	5.6
Cromwell	10,265	11,390	11.0
Durham	5,143	5,530	7.5
East Haddam	5,621	6,270	11.5
East Hampton	8,527	9,350	9.0
Haddam	6,383	6,740	5.6
Middlefield	3,796	3,900	2.7
Portland	8,383	8,610	2.7
Region	87,203	93,010	6.6

Source: U.S. Census, Ct. Dept. of Health

Table 3.2 provides projected population by age group for the Midstate Region. As the table indicates, several changes in the age distribution of the region's population are expected by the year 2000. A significant decline in the number of children (under 20 years) and young adults (20-35 years) is anticipated, while adults and the elderly are expected to see significant increases. The increase in the elderly population, a national trend, is expected to have a significant impact on the Region and all of the individual communities.

TABLE 3.2
MIDSTATE REGION POPULATION BY AGE

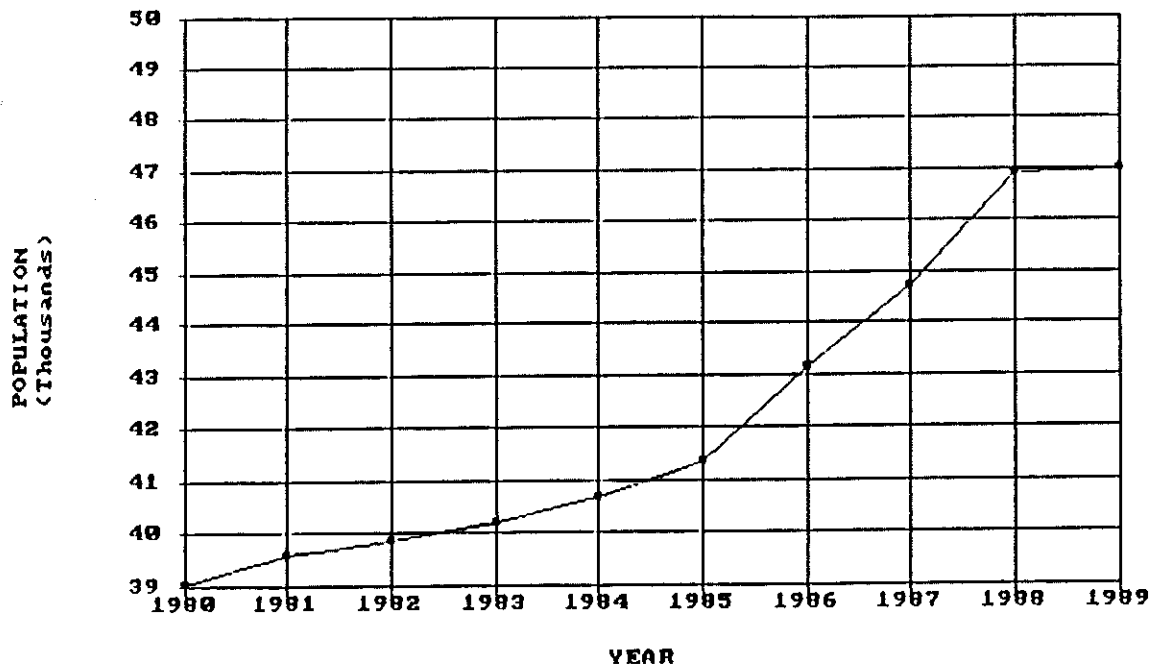
AGE	1980	%	2000	%
	NUMBER		NUMBER	
0 - 19	26,097	30	23,065	22
20 - 34	23,647	27	20,236	20
35 - 64	27,999	32	45,843	43
65 +	9,460	11	14,084	15
Total	87,203	100	103,228	100

LOCAL TRENDS

Historically, Middletown's population has almost always been an increasing population. This is unlike surrounding somewhat larger cities. Figure 3.2 displays the cities historical population from 1790 to 1980. Also shown in Figure 3.2 are more recent population estimates by the city's Planning Department. This figure clearly displays the record growth the city experienced between 1985 and 1988.

RECENT POPULATION ESTIMATES

Source: Building & Planning Dept.



MIDDLETOWNS HISTORICAL POPULATION

Source: U.S. Census, Building Dept.

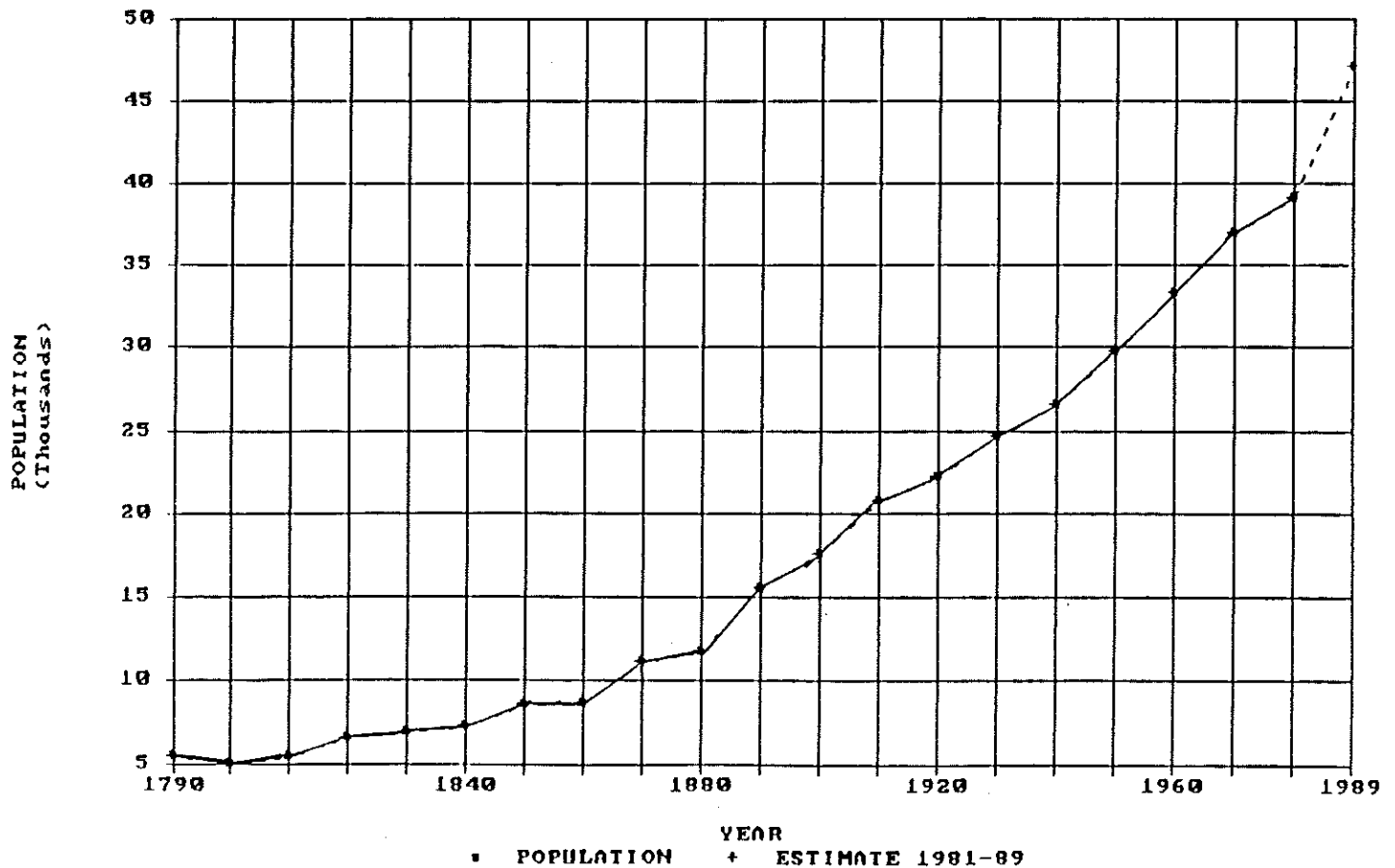


Figure 3.2

The age distribution of this population is important to understand in order to correctly plan for city services, such as schools or programs for the elderly. Figure 3.3 displays the 1980 and the projected 1990 age distributions for the city. From this figure, it is clear that Middletown has an aging population, similar to most other towns and the state, as was discussed earlier. This aging population and the concomitant decline in the the younger cohorts will have a significant impact on the city.

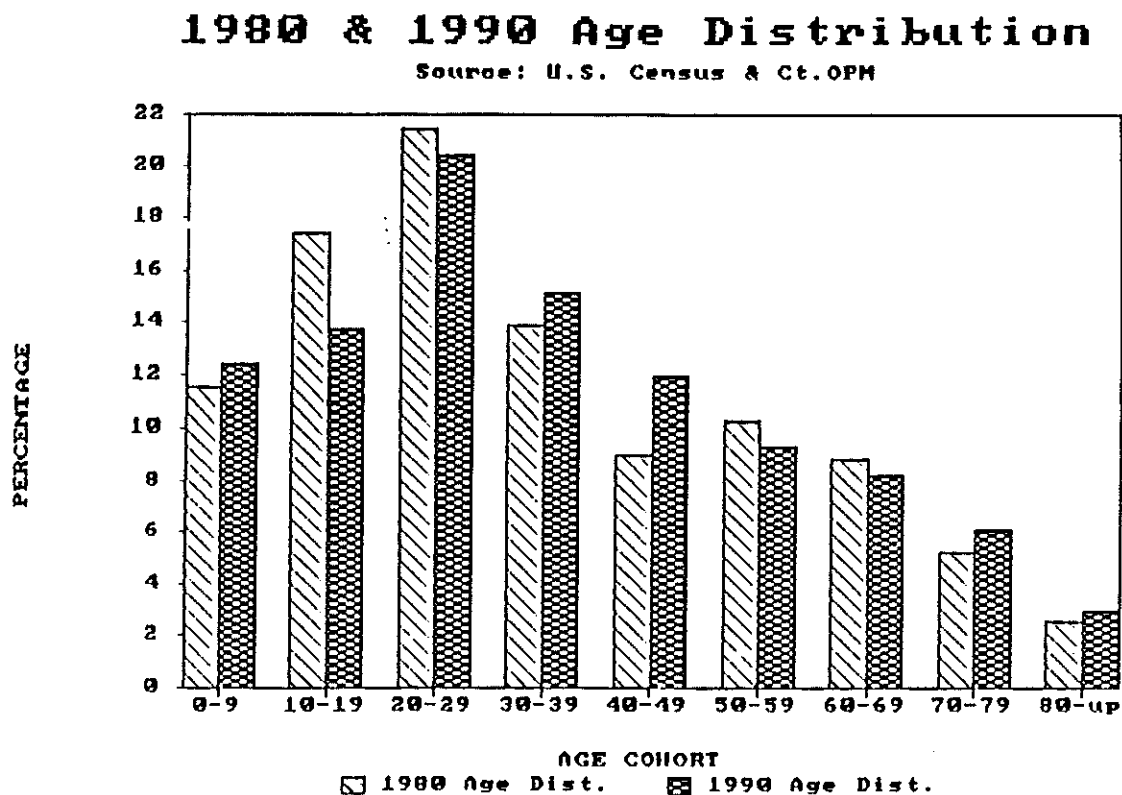


Figure 3.3

It is important to project the future population in the city to better understand the future demand for services. This projection was accomplished using two methods. The first method was simple linear regression using historical data. The second, more reliable method was the land use method. This method is based on the density allowed for in the current zoning scheme. Using Housing Partnership estimates of potential units based on available vacant land, subdivision records, building permits and other information, the Planning office estimated the population at total residential build out to be approximately 63,582 residents. The next figure, figure 3.5, displays these two projections. Interestingly, the 1965 Middletown Plan of Development, done by Technical Planning Associates, estimated the ideal population in the year 2000 to be 65,000 residents.

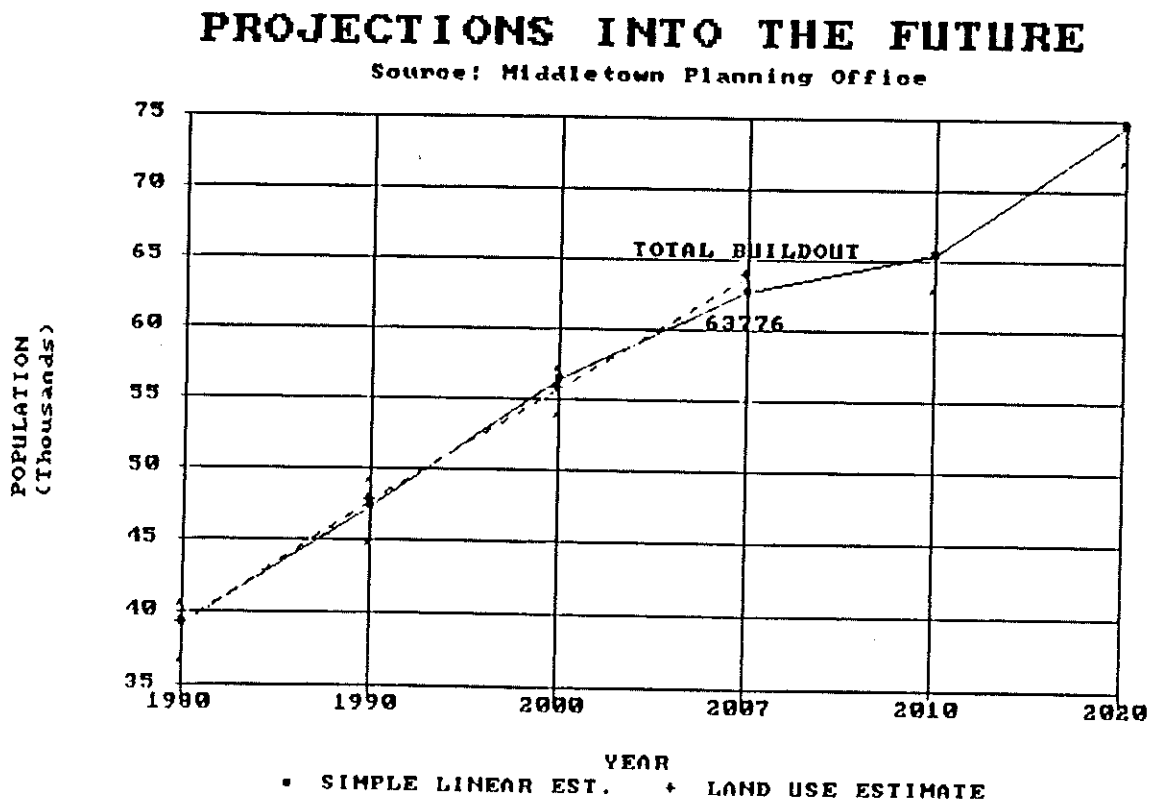


Figure 3.5

Another interesting and important projection to review is the future age distributions. The U.S. Census reported and the Office of Policy and Management has estimated future distribution for the years 1980, 1990, 2000 and 2010. These distributions are shown in figure 3.6.

FUTURE AGE DISTRIBUTIONS

Source: Office of Policy and Management

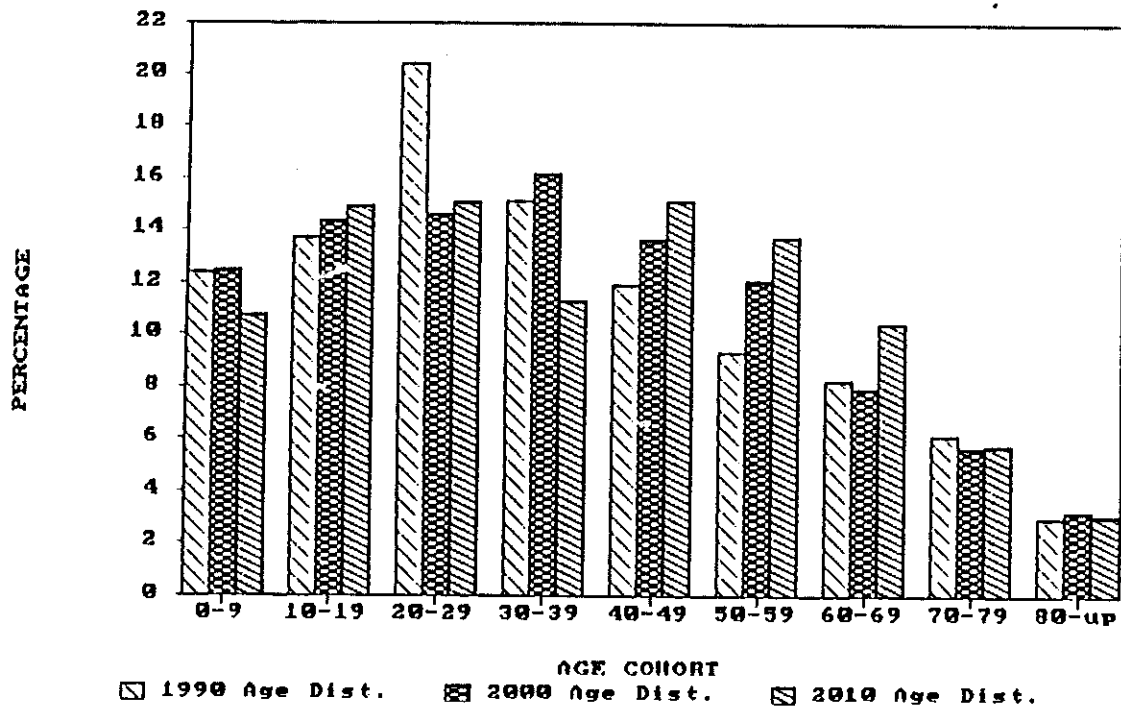


Figure 3.6

DEMOGRAPHIC SUMMARY

- 1.) The "MidState" region has been growing steadily, and some towns have grown dramatically.
- 2.) The "MidState" region's population is becoming a significantly older population, which will increase the need for further planning for the elderly.
- 3.) Middletown's population has been increasing steadily and it is expected to continue to do so into the year 2000.
- 4.) Housing demand will remain steady as a result of an increasing population, a declining family size and a somewhat still affordable real estate market compared to other surrounding towns.

5.) The age distributions indicate that:

- a. The less than 5 year old age cohort has increased dramatically between 1980 and 1989 and the 20 to 29 year old age cohort has declined. This is indicative of the trend of more career oriented couples, who have waited to have families, now having them.
- b. The 20 to 29 year old age cohort, or first time home buyers, is the largest cohort, but they are becoming increasingly shut out of Middletown.
- c. The 30 to 39 and 40 to 49 year old age cohorts are increasing. This displays the fact that Middletown's population is shifting to a population of older, more established, second home families.
- d. Middletown's population is expected to become an increasingly older population into the year 2010. This will increase the need for a further emphasis on planning for older populations.
- e. Due to this aging population the current labor shortage will intensify, barring any significant economic downturns, especially in the lower paying retail and low end service sectors.

6.) Finally, the city should be planning for an ultimate population of approximately 65,000, as suggested in the 1965 Plan of Development.

CHAPTER 4

HOUSING: HOW MANY?, WHAT TYPE?, WHERE?, AND HOW AFFORDABLE?

In order to achieve the most desirable composition and quality of dwelling units in the community the housing and residential construction portion of the Plan of Development has identified the following goals:

To continue to encourage diversity in the available housing stock in order to provide for and attract an economically and culturally diverse population.

To identify older neighborhoods in need of rehabilitation and adopt policies and regulations to encourage this rehabilitation while discouraging gentrification.

It is important to have a housing and residential construction portion in the Plan of Development to better understand the currently available housing stock and the potential future housing stock. Understanding the type of future housing available in the city will contribute to a better understanding of the future socio-economic characteristics of the city's population.

This portion of the Plan of Development will review recent residential construction activity, the current number of dwelling units, the potential number of units and, finally, will analyze the affordability of a home in Middletown in relation to various income groups. This portion of the Plan of Development will then end with several conclusions and recommendations aimed at achieving the housing and residential construction goals as discussed above.

CONSTRUCTION ACTIVITY

Middletown has experienced a rapid surge in residential building construction over the past several years. Figure 4.1 displays the building permit activity over the past 5 years. From this figure it is clear that construction activity has decreased substantially in 1988, down from record highs in 1985 through 1987, and it appears activity will also be much slower in 1989. Figure 4.2 displays the certificate of occupancy activity. The large number of certificates of occupancy, in 1988, is merely a delayed effect from the past record years in terms of building permits.

BUILDING PERMITS 1985-SEPT. 1, 1989

Source: Middletown Building Department

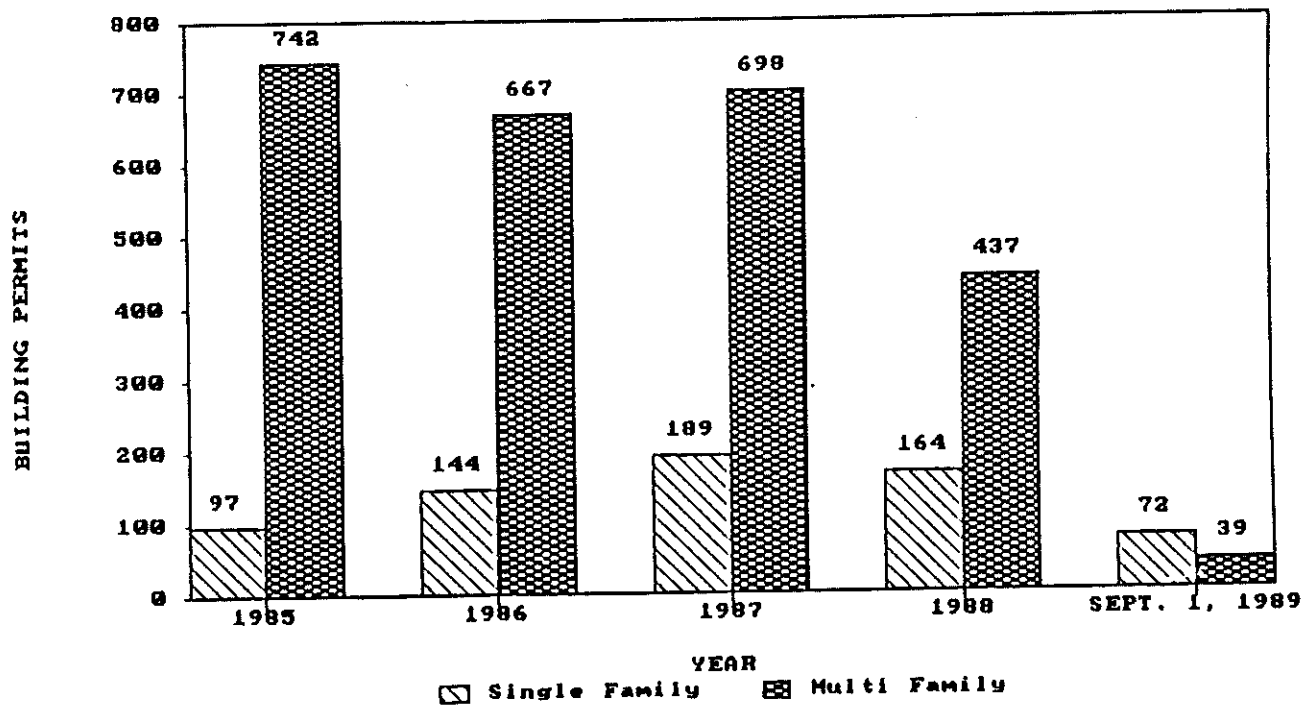


Figure 4.1

CERTIFICATES OF OCCUPANCY 1986-89

Source: Middletown Building Department

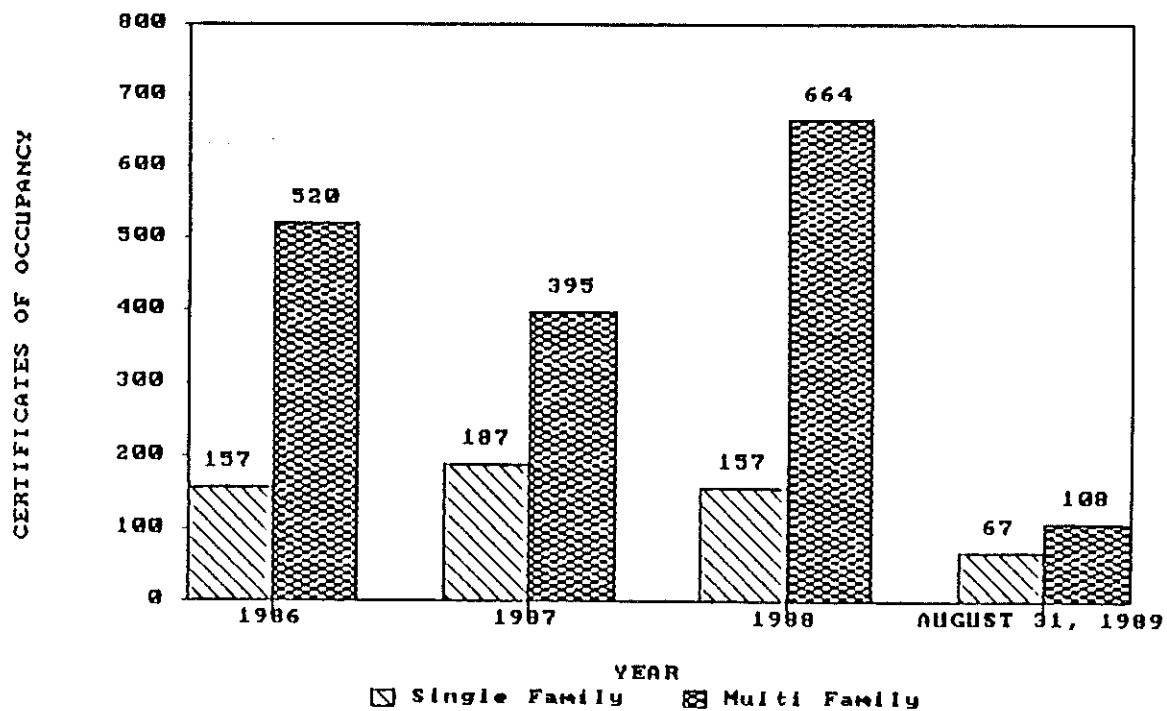
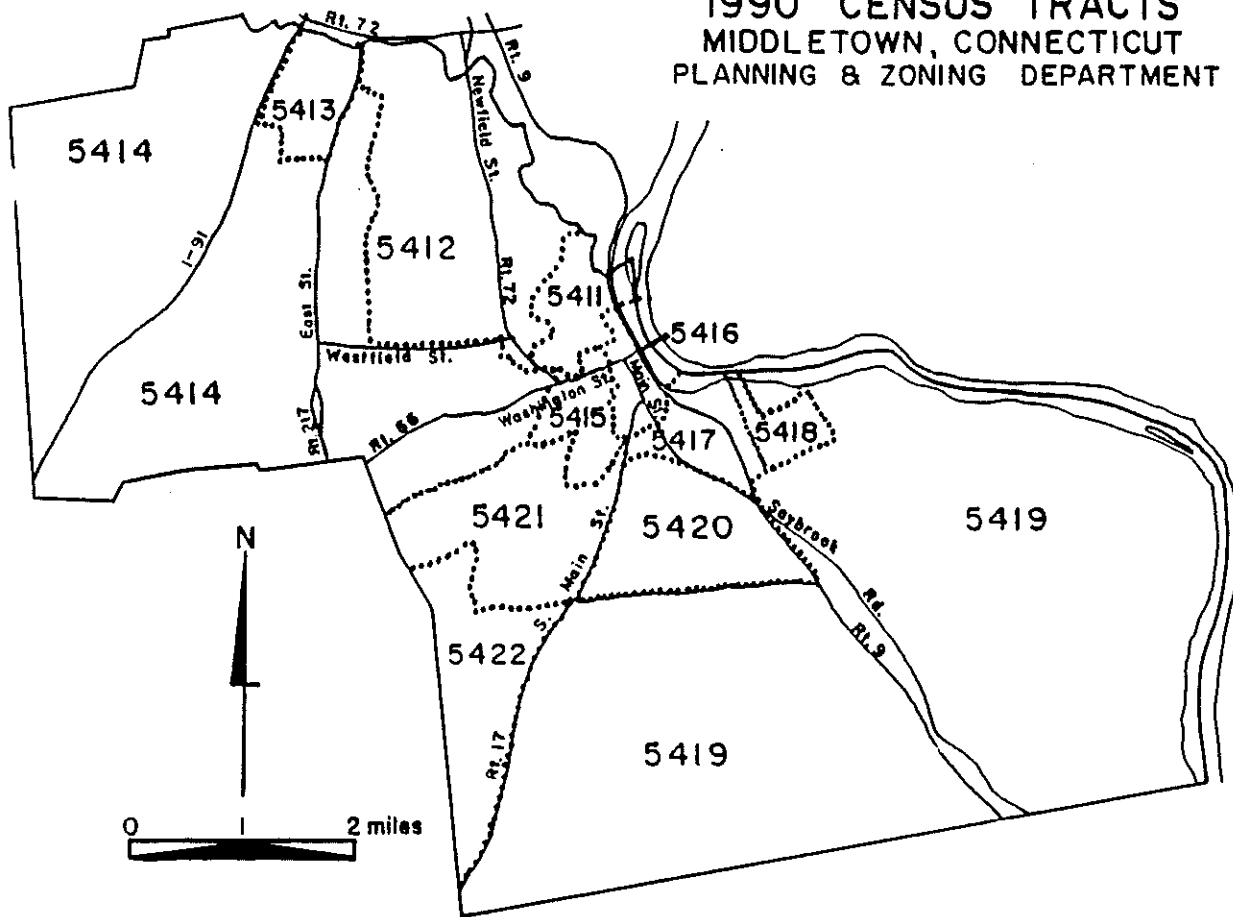


Figure 4.2

THE CURRENT HOUSING SUPPLY

This rapid surge in construction activity has resulted in a substantial increase in dwelling units over the past decade. In 1980 there was a total of 14,774 housing units in the city. From 1980 to Sept. 1, 1989 there have been 4,010 building permits issued for the construction of both multi-family and single-family dwelling units. This addition in units since 1980 results in a total of 18,784 dwelling units in the city. This growth represents a 27 % increase in housing units. The next two figures, 4.3 and 4.4, display the distribution of dwelling units, by census tract, throughout the city. From these figures, it is clear that the Westfield portion of the city contains a substantial portion of the entire city's housing stock. Figure 4.5 displays the change in the number of dwelling units between 1980 and Sept. of 1989. In this figure, it becomes obvious the most substantial growth occurs in the 5413 census tract. This is the result of the multi-family construction in the Westlake Planned Residential Development. In order to gain a further understanding of the housing stock and the population contained within, it is important to divide the total number of dwelling units into single-family and multi-family dwellings. Figure 4.6 accomplishes this and shows that the multi-family homes have been increasing much more rapidly than single-family. Figure 4.7 shows the distribution of multi-family (56 %) and single-family (44 %) dwelling units.

1990 CENSUS TRACTS
MIDDLETOWN, CONNECTICUT
PLANNING & ZONING DEPARTMENT



HOUSING UNITS BY TRACT

Census Tract	Units 1980	1985	AUGUST 31, 1989
5411	1206	1207	1213
5412	1615	1615	1909
5413	1511	1841	3412
5414	2240	2409	2850
5415	737	766	812
5416	1329	1404	1502
5417	890	943	950
5418	28	31	31
5419	1911	2041	2239
5420	1681	1708	1863
5421	1140	1159	1372
5422	486	561	631
TOTAL	14774	15685	18784

Figure 4.3

Units by Census Tract, Sept. 1, 1989

Source: Middletown Building Department
5419 (11.9%)

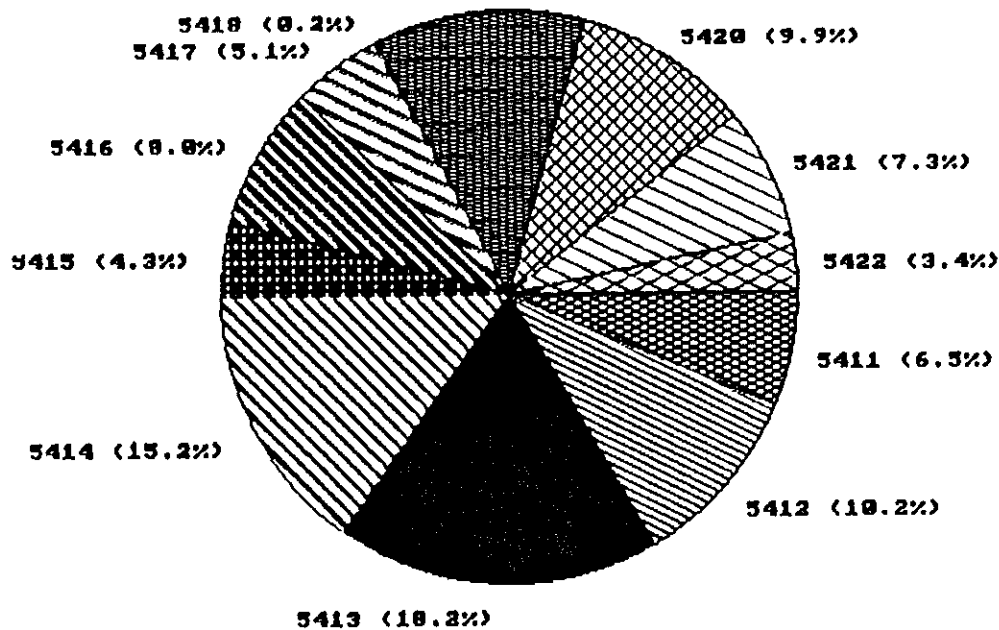


Figure 4.4

CHANGE IN UNITS 1980-SEPT. 1 1989

Source: Middletown Building Department

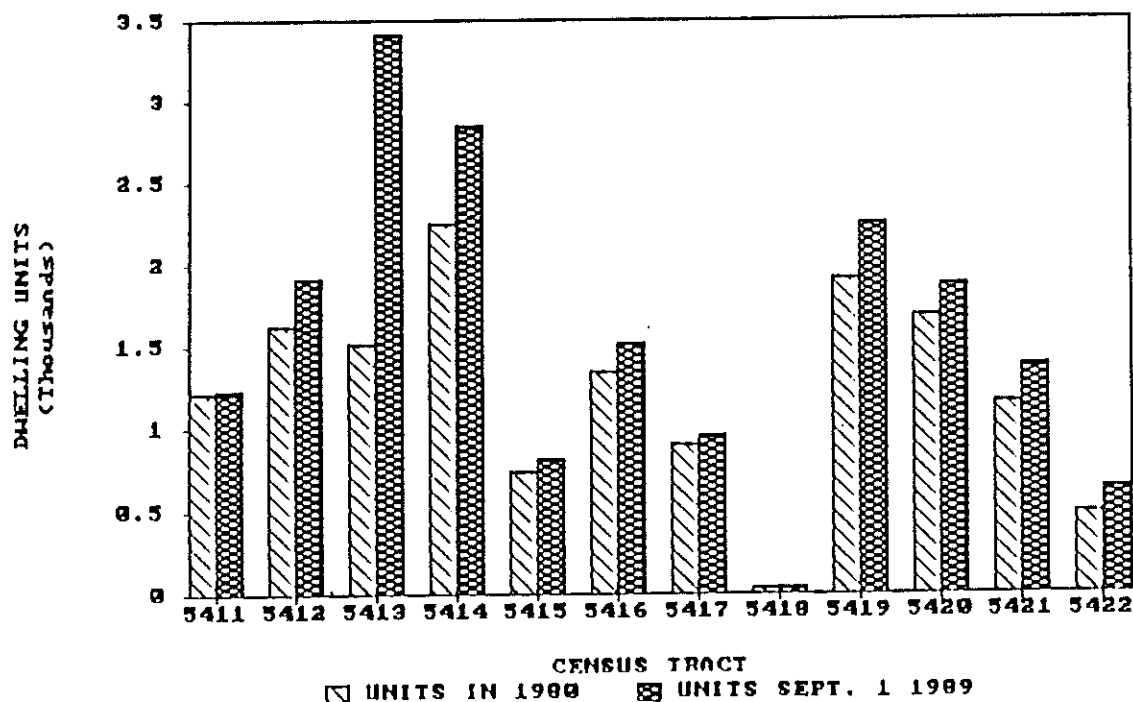


Figure 4.5

TOTAL SINGLE & MULTI FAMILY UNITS

Source: Middletown Building Department

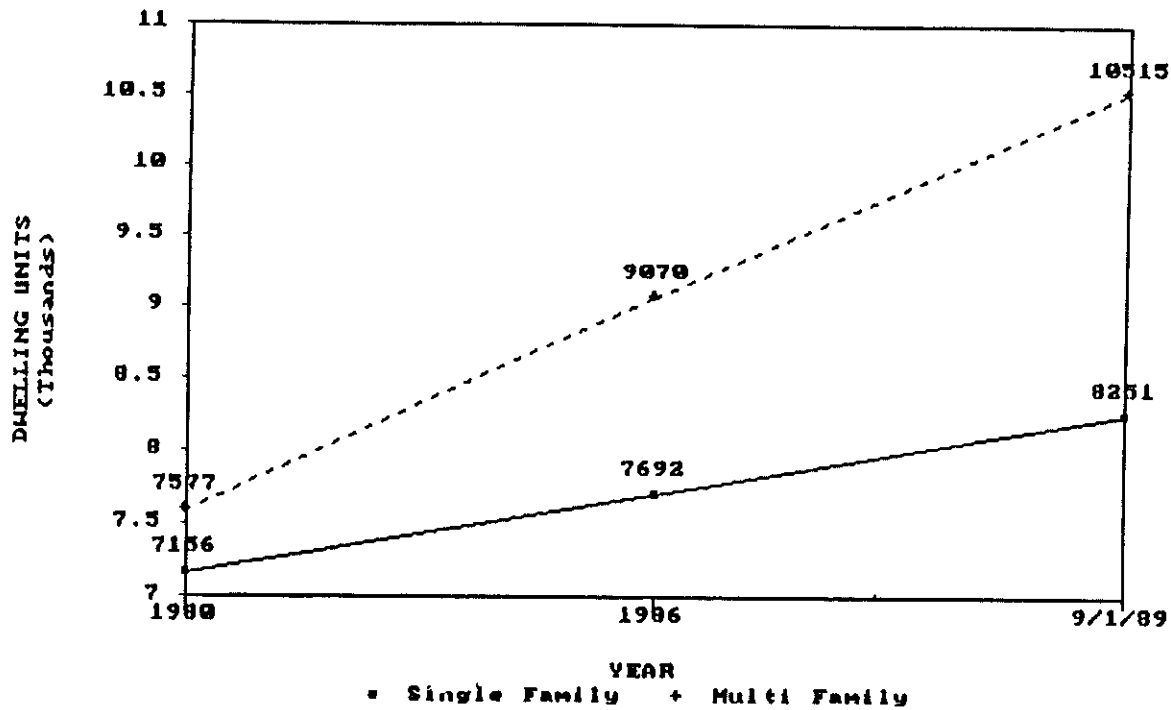


Figure 4.6

Single & Multi Family Units Sept. 1, 89

Source: Census, DOH, Building Dept.
(56.8%)

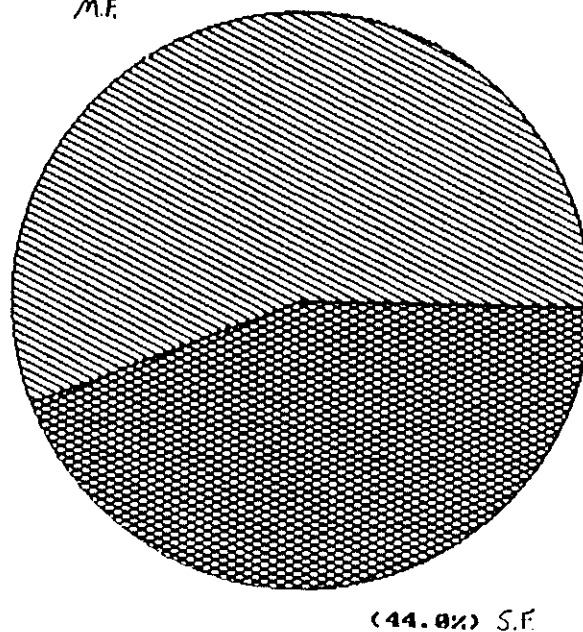


Figure 4.7

THE COMPOSITION OF THE FUTURE HOUSING STOCK

This distribution of single and multi-family homes is generally not a favorable mix. Therefore, in order to understand whether the future distribution will be similar to the present distribution the Planning Office predicted the future mix. Based on the density the current zoning scheme allows for, it becomes clear that there is far more room for single-family home expansion. Figures 4.8 and 4.9 display the approximate distribution of multi-family and single-family dwelling units at the time of total residential build out, approximated in the year 2007, barring any significant residential zone changes.

DWELLING UNITS AT TOTAL BUILDOUT

Approximately 2007
Single Family (55.2%)

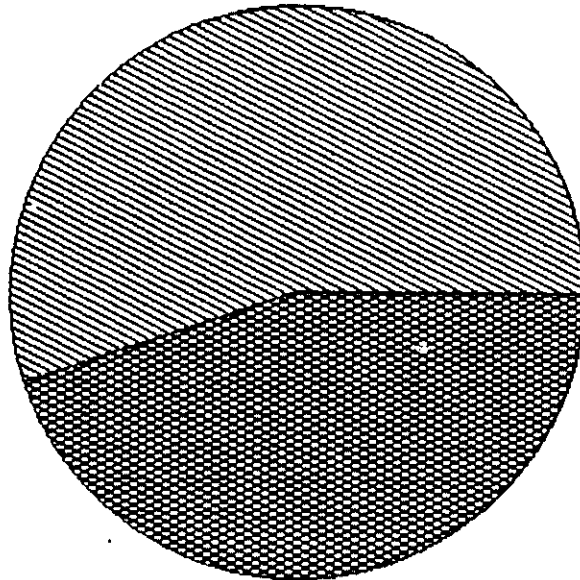


Figure 4.8

Multi Family (44.8%)

DISTRIBUTION AT TOTAL BUILD OUT

Assume Build Out in 2007

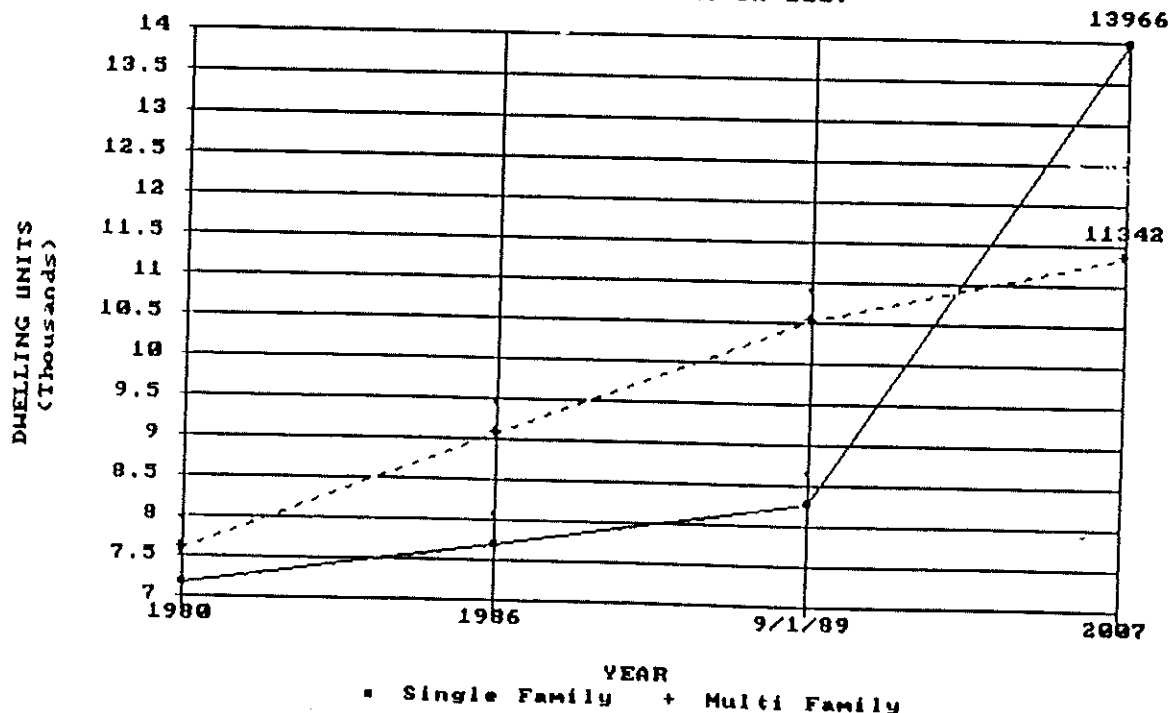


Figure 4.9

HOUSING UNITS IN PLANNED RESIDENTIAL DEVELOPMENTS (PRD)

Project: Wesleyan Hills PRD I
Sus Tract: 5422

BLUE AREA

Blue Acres	15 DHU
Blue Road	5 DHU
Blue Bell	17 DHU
Blue Bird	14 DHU
Blue Grass	16 DHU
Blue Hill	13 DHU
Blue Meadow	12 DHU
Blue Orchard	16 DHU
Blue Spruce	18 DHU
TOTAL	121 DHU

YELLOW AREA

Yellow Birch	13 DHU
Yellow Green	13 DHU
Yellow Orange	12 DHU
Yellow Pine	9 DHU
Yellow Wood	10 DHU
Yellow Yellow	12 DHU
Yellow Hill	8 DHU (1 site plan approved)
TOTAL	77 DHU

RED AREA

Red Clover Circle	9 DHU
Red Orange	16 DHU
Red Yellow	9 DHU
Laural Grove Rd.	8 DHU
Red Ridge	25 DHU (pending final approval)
TOTAL	67 DHU

ORANGE AREA

Governors Grove	38 AHU
Laural Ridge	26 AHU
TOTAL	64 AHU

BROWN AREA

Green Briar	6 DHU
Meadowview Condo's	25 DHU
Long Hill Condo's	3 DHU
TOTAL	34 DHU

GREEN AREA

Ridgely	96 AHU
Long Hill Condo's	110 AHU
TOTAL	206 AHU

TOTAL IN WESLEYAN HILLS 569

Project: Westlake PRD II
Census Tract: 5412, 5413

1.) Trolley Crossing	191 AHU	10.) Northwoods	336 AHU
2.) Highlands	201 DHU	11.) Town Place	166 AHU
3.) Peppermill Village	282 AHU	12.) Carriage Crossing	325 AHU
4.) Burgundy Hills II	102 AHU	13.) The Meadows	68 AHU
5.) The Farms	86 AHU	14.) Forest Glen	304 AHU
6.) Russet Park	198 AHU	15.) Town Ridge	238 AHU
7.) Beacon Hill	176 AHU	16.) Cambridge Commons	52 AHU
8.) Chestnut Hill	314 AHU	17.) Town Brooke	280 AHU
(formally Town Colony)			(incomplete)
Ridgefield	262 AHU		

TOTAL IN WESTLAKE PRD 3581

Project: North Hills PRD III
Census Tract: 5412

152 units (82 rentals, 70 condos)

TOTAL IN NORTH HILLS 152

Project: Cedar Village PRD IV
Census Tract: 5419

1.) Julia Terrace (Phase I)	33 DHU	3.) Julia Terrace(Phase II)	27 DHU
2.) Roberta Dr. (Phase I)	20 DHU	4.) Cedar Ridge Townhouses	80 AHU

TOTAL IN CEDAR VILLAGE 160

Project: Fieldbrook PRD V
Census Tract: 5420

1.) Avon Court	13 DHU	4.) Litchfield Crt	13 DHU
2.) Greenwich Court	11 DHU	5.) Lyman Drive	11 DHU
3.) Dent Court	12 DHU		

TOTAL IN FIELDBROOK 60

LARGE SUBDIVISIONS IN PROGRESS (greater than 10 lots)

<u>CENSUS TRACT</u>	<u>NAME</u>	<u>LOCATION</u>	<u>LOTS</u>
5412	Springbrook	Congdon S	35 lots
5412	Hubbard Estates	Westfield St.	77 lots
5412	Springbrook II	Brookview La.	21 lots
5412	TOTAL		133 lots
5413	Sylvan Run	East St.	42 lots
5413	TOTAL		42 lots
5414	Westfield Hills	Atkins St.	84 lots
5414	Westwood	Westfield St.	41 lots
5414	Poplar Rd.	Poplar Rd.	22 lots
5414	The Hunt Club	East St.	127 lots
5414	Sunrise Farms	Atkins St.	70 lots
5414	Orchard Hill	Orchard Hill La.	16 lots
5414	TOTAL		360 lots
5419	Talcott Ridge	Round Hill Rd.	23 lots
5419	Cranberry Lane	Maple Shade Rd.	47 lots
5419	Willow Hill	Bartholomew Rd.	15 lots
5419	TOTAL		85 lots
5420	Laural Heights	E.Main & Andrew	13 lots
5420	TOTAL		13 lots
5421	Valley Brook Vil.	Stevens La.	38 lots
5421	Wadsworth Hectares	Long Lane	21 lots
5421	Farmstead Estates	West St.	16 lots
5421	TOTAL		75 lots
5422	Laural Grove Rd.	Laural Grove Rd.	22 lots
5422	The Hollow **	S.Main, Randolph	44 lots
5422	TOTAL		66 lots
<u>TOTAL LOTS IN PROGRESS</u>		774	

** Construction Delayed

LARGE HOUSING PROJECTS OTHER THAN PRD'S

CENSUS TRACT	NAME	LOCATION	UNITS
5412	Meadoway and Rose Circle	Newfield St.	220 AHU
5412	Newfield Towers	Newfield St.	100 ADU
5412	Stonycrest	Newfield St.	49 ADU
5412	Stonycrest Towers	Newfield St.	100 ADU
5412	Willowcrest	Newfield St.	147 ADU
5412	Newfield Commons	Newfield & Tiger	19 ADU
5412	Newfield Apartments	Newfield St.	16 ADU
5412	TOTAL		651 ADU
5414	Bayberry Crest	Plaza Dr.	152 ADU
5414	New Meadows	Washington St.	191 ADU
5414	Pond View Apartments	Butternut St.	52 ADU
5414	Sutton Towers Apartments	Washington St.	212 ADU
5414	Acheson Woods	Jackson Street	22 ADU
5414	TOTAL		629 ADU
5415	Hamlin Ct. (Central School)	College St.	28 ADU
5415	Old Middletown High	Court St.	65 ADU
5415	TOTAL		93 ADU
5416	New St. Luke's	Broad St.	26 ADU
5416	Sbona Tower	Broad St.	126 ADU
5416	South Green Apartments	Church St.	125 ADU
5416	Traverse Sq.	Traverse Sq.	60 ADU
5416	Rivers Bend Apartments	DeKoven Dr.	103 ADU
5416	TOTAL		440 ADU
5417	Maplewood Terrace	Maplewood Terrace	50 ADU
5417	TOTAL		50 ADU
5419	Long River Village	Silver St.	190 ADU
5419	Summer Hill	Woodbury Circle	322 ADU
5419	Woodgate I	Washington St.	84 ADU
5419	Woodgate II (in court)	Washington St.	168 ADU
5419	TOTAL		680 ADU

5421 Rockwood Acres	Long Lane	72 ADU
5421 Santangelo Circle	Santangelo Circle	50 ADU
5421 Sunset Ridge	Wadsworth St.	76 ADU
5421 Wadsworth Grove	McKenna Drive	45 ADU
5421 Butternut Knoll Condo's	Cross St.	29 ADU
5421 The Forge	S.Main & Pameacha	77 ADU
5421 TOTAL		349 ADU
5422 Marino Manor	Randolph Rd.	40 ADU
5422 TOTAL		40 ADU
<u>TOTAL UNITS IN ALL LARGE MULTI FAMILY OTHER THAN PRD'S</u>		2932

HOUSING AFFORDABILITY

Having an understanding of the quantity and distribution of dwelling units both presently and in the future raises a new issue. This new issue, which is particularly pertinent in this region, is the question of affordability. More and more the lack of affordable housing in Connecticut is arising as one of the State's most serious problems. For this reason, Public Act 88-13 "An Act Concerning the Updating of Municipal Plans of Development" was adopted. This act requires that affordable housing be considered in the Plan of Development. The act also provides that the Plan of Development may include plans for the implementation of affordable housing programs. This section will analyze the affordability of housing in Middletown for various income groups, and then in consideration of the work of the Middletown Housing Partnership, make general recommendations aimed at bridging the affordability gap, if one is found to exist.

ON COST: What is Middletown's current real estate market?

While Middletown's housing supply has been growing steadily, the cost of these homes has increased dramatically. Based on the single-family home sales between May of 1988 and May of 1989 the median cost of a single-family was calculated to be \$ 159,900. In 1980 the Census Of The Population reported the average price of a home to be \$ 60,400. This reveals that there has been a 165 % increase in the average price of a single-family home over the past eight and one half years. Condominiums behaved similarly. The average price of a condominium during this year was \$ 108,300. This value is up 103% from the 1980 value. The next table displays the current average values for various types of single-family homes and condominiums.

TABLE 4.1
AVERAGE HOME PRICES

TYPE OF HOME	1989 AVERAGE SALES PRICE	
-----SINGI		
FAMILY	\$167,900	
Cape Cod	\$159,500	
Colonial	\$220,000	
Contemporary	\$145,000	
Raised Ranch	\$156,500	
Ranch	\$158,500	
CONDOMINIUMS	\$108,300	

In general, there are two reasons for these dramatic increases in the average price of a home. These reasons are land costs and location. Since 1980, land costs have represented an increasingly large share of the total cost of constructing a home. Statewide, between 1980 and 1986, the land as a variable in the cost of a single-family home has increased from 29% to 40%. Clearly, due to the lack of buildable land, land is gradually becoming the most significant cost in the price of a single-family home.

In terms of location, there has been substantial economic growth occurring in Middletown, and in other towns surrounding the I-91 corridor. This economic development has resulted in a dramatic impact on the Middletown housing market. The development in greater Hartford has also affected Middletown and the region. Housing prices have historically been less than those in the Greater Hartford region and easy access to major highways has been good. This has made Middletown an attractive residential alternative.

ON INCOME: What can Middletown residents afford?

While overall, the incomes of Middletown residents have been increasing, they have not matched the increase in the average price of a single-family home. Income figures for 1989 are unavailable, however, the following figures will be useful in making an estimate based on annual increases in the median family income between 1980 and 1986. This estimate as shown below would mean there has been an 106% increase in median family income between 1980 and 1989.

TABLE 4.2
INCOME FIGURES

1980 Median Family Income \$21,085
1986 Median Family Income \$34,157
ESTIMATE 1989 Median Family Income \$43,633 ESTIMATE

MidState Region 1987 Income Figures

Median \$37,200
Low \$29,760
Very Low \$18,600

ON AFFORDABILITY: What income is required to buy a home in Middletown?

Having concluded that Middletown home prices have increased more rapidly than the incomes of Middletown residents, it is logical to discuss the incomes required to purchase these homes. The following tables analyze the affordability of homes in the following sales price distribution.

TABLE 4.3
SALES PRICE DISTRIBUTION MAY 1988 - MAY 1989

10 %	25 %	MEDIAN	75 %	90 %
I-----I-----I-----I-----I-----I-----I				
\$120,000	\$142,000	\$159,900	\$193,000	\$254,000

The table below presents the incomes required to purchase the homes in this distribution. The table is based on a 30 year 10 % mortgage and assumes that a family can devote 28 % of it's gross monthly income to mortgage payments, real estate taxes and hazard insurance. One other very significant assumption was made. In developing these examples it was assumed that home buyers had accumulated sufficient funds to cover down payments and financing costs.

TABLE 4.4
INCOME REQUIRED TO PURCHASE HOMES IN MIDDLETOWN

Income Required to Purchase	Income
Lower 10 % of Homes	\$ 46,450
Lower 25 % of Homes	\$ 54,700
Median Priced Home	\$ 61,400
Lower 75 % of Homes	\$ 73,800
Lower 90 % of Homes	\$ 96,600
Average Priced Condominium	\$ 42,900

When comparing the above required income figures with the income figures available and the 1989 estimate for Middletown it becomes clear that many people, especially first time home buyers, are being increasingly shut out of Middletown's single-family home market and, in many cases, the condominium market.

ON THE RENTAL MARKET

A major source of housing here in Middletown is the rental market. In 1980 51 % of the housing units in the city were renter-occupied. For this section it is assumed that rental housing is affordable when it costs a household no more than 30 % of its gross monthly income to pay rent and utilities. The following information on rental housing in the city of Middletown was extracted from the May 1989 Middletown Housing Partnership Report.

The partnership conducted a survey of 281 two bedroom units in December 1988. This survey revealed that two bedroom non-subsidized units range from \$515 per month, including heat and hot water, to \$850 per month for a luxury unit. The survey also indicated a vacancy rate of only 1.4 %.

The next table provides estimated data on households by income range and affordable rent ranges for the various income groups.

TABLE 4.5
1988 ESTIMATED HOUSEHOLD INCOME

RENT RANGE	NUMBER	%	AFF.
< 15,000	3,219	21.8	0 - 375
15,000 - 24,999	2,863	19.4	375 - 624
25,000 - 34,999	2,320	15.7	624 - 875
35,000 - 49,999	2,947	19.9	875 - 1,250
50,000 +	3424	23.2	1,250 +

As the Housing Partnership Report pointed out, this data suggests that for most households, the private market provides units which would be affordable. This does not mean that there are not problems in the rental market.

As noted previously, the vacancy rate is only 1.4 % which is considered very tight. Furthermore, rental needs tend to be concentrated at the lower end of the income spectrum. In 1980 only an approximate 27 % of renters had incomes above the regional median. A more recent survey, conducted by the Institute of Social Inquiry at the University of Connecticut, found that statewide 53 % of households with incomes less than \$30,000 were renters compared with only 8 % of those with incomes over \$50,000. For this reason, the demand and thus the shortage for rental units is skewed towards the lower end of the income spectrum.

Based on the data available, it appears that one group which is poorly served by both the private market, and the assisted market is that group earning approximately \$ 15,000 - \$25,000 per year. This group, capable of paying \$375 to \$625 per month, must struggle to find rental units which are affordable in the private market, but may not qualify for other assisted housing.

SOURCE: Housing Partnership

IMPLICATIONS

The implications of this lack of affordability in Middletown are many and include:

- 1.) The City and the City's employers will need to raise salaries of employees to attract and retain qualified workers who can not afford to live in Middletown or the region.

- 2.) The city will lose its diversified population consisting of both blue and white collar workers of various income groups.
- 3.) Children of City residents will be unable to live in the City in which they grew up, and the social network of long time residents will erode.
- 4.) Businesses in the lower paying sectors, retail and low end service, will find it increasingly difficult to attract acceptable employees.
- 5.) Formally, untapped labor pools, such as the elderly, handicapped and retarded, will be drawn from as the labor shortage intensifies.

RECOMMENDATIONS

Middletown has already done much to encourage the provision of affordable housing. The production of affordable housing in the current real estate market will require creativity, innovation and new thinking. First and foremost the City should refer to the recommendations set forth in the Middletown Housing Partnership Report of May 1989. The following are a few techniques the city should adopt.

- 1.) Develop a strong public and private sector partnership. This has largely been accomplished with the creation of the Middletown Housing Partnership. In addition, the private sector, with public sector support, should be encouraged to provide affordable housing within market rate developments.
- 2.) The City should target firms that have large workforces and therefore must take some responsibility for the supply\demand imbalance in the affordable housing market.
- 3.) The Planning and Zoning Commission should amend its regulations to provide for the provisions as allowed for in Public Act 338. This act allows for Planning and Zoning Commissions to have, as special exception use, a use which is exempt from density limits. In granting this special exception, the Planning and Zoning Commission, working with the Housing Partnership, can require that for each unit constructed in excess of the number permitted by applicable density limits, the developer construct, either off site or on site, a unit of affordable housing. In lieu of the provisions of affordable units, the developer may be

required to make payments.

4.) The city should establish a Housing Trust Fund. Money deposited into this fund will come from many sources including payments in lieu of affordable housing construction, proceeds from sales of city owned affordable units, money allocated in the annual town budget, State Department of Housing grants, and private sector donations. These private sector donations, encouraged by tax credits, which will represent a major source to the fund, will also generate matching dollars from the Department of Housing. Once established, the fund could be used in many different ways to create affordable housing.

Three options are as follows:

a.) Create a subsidy program that lowers the cost of a house to that amount that is affordable. This subsidy could be used for land purchase and write downs, the lowering of interest rates, grants or mortgage purposes.

b.) A land purchase program in which the Housing Partnership buys developable land, reduces the price and sells or leases lots to individuals. The Housing Partnership may also act as a developer, with assistance available from Department of Housing to develop the land itself. The Housing Partnership would then sell these homes as affordable units. These units while being initially affordable, would also need deed restrictions to insure that they remain affordable.

c.) The Housing Partnership may also enter into the real estate market, purchasing existing properties and then selling them at an affordable price to those in need of affordable housing. It is essential that the deeds on these homes be restricted to insure that they will remain affordable.

OVERALL HOUSING RECOMMENDATIONS

1.) Avoid zone changes allowing for residential density increases which would over burden the capacity of the city's infrastructure.

2.) The Housing Partnership and private developers should be encouraged to provide affordable housing in a manner as discussed in the affordability section of the Housing Plan.

3.) Adopted regulations which will lead to the gradual revitalization of older, problem neighborhoods by the private sector.

4.) Address the problems in existing neighborhoods which tend to be losing vitality.

5.) Consider the fiscal impact, in terms of city services, of large residential special exceptions prior to their approval.

Housing Development Zone

Application of the City of Middletown

II. Applicant Eligibility

4. Resolution of the Common Council of the City of Middletown passed January 2, 1990.

RESOLUTION

WHEREAS, the Commissioner of the Connecticut Department of Housing is authorized to designate Housing Development Zones under Section 8-376-381 of the Connecticut General Statutes; and

WHEREAS, the North End Renewal Study Area is an appropriate candidate to become a Housing Development Zone and the City of Middletown is eligible to apply under Section 32-9p of the Connecticut General Statutes;

NOW THEREFORE BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN:

That the City of Middletown apply to the Department of Housing for consideration of the North End Renewal Study Area as a Housing Development Zone.

BE IT FURTHER RESOLVED THAT:

Should the area be designated by the Commissioner, the City of Middletown shall pass an ordinance for the fixing of assessments on all commercial and residential property in the zone which is improved during the period of designation and, in the case of residential properties, is occupied by families whose income is less than 150% of the median family income of the City of Middletown. Any increase in assessments shall be deferred in accordance with the schedule established by Section 8-380 of the Connecticut General Statutes.

ALSO BE IT FURTHER RESOLVED:

That the Mayor shall be authorized to sign all documents pertinent to this application and designation.

Passed and Adopted
by Common Council,
City of Middletown
at its Meeting held
on

11/2/90

Housing Development Zone

Application of the City of Middletown

II. Applicant Eligibility

5. A plan for the development and rehabilitation of housing within the Zone:
Narrative

Section II. 5. Plan for the development and rehabilitation of housing within the zone.

This plan is precisely what the Redevelopment Agency is currently developing. With their consultants, DeCarlo and Doll of Hamden, they are compiling results from the many recent studies of the area and are due to present the completed plan this spring. Perhaps the best way to describe the gist of what the plan will be is to refer to the RFP for consultants, their preliminary report (Action Outline) of August 1989 and to discuss some of the major public projects which will affect the North End either directly or indirectly.

The RFP requests a Planning and Engineering Study of the North End Central Business District which will result in a fully developed Urban Renewal Plan. The parameters of the study describe the geographical boundaries and ask for assessments of infrastructure, parking, cost estimates for needed acquisition or demolition, undergrounding utilities, parks, access to some streets and future use of the landfill. (Some of this is not applicable for the Housing Development Zone because the Redevelopment Area is much larger and includes commercial and industrial areas to the north and south of the proposed North End Zone.) Specifically the City asked for preparation of an Urban Renewal Plan, land use analysis, cost evaluations of implementation, sources of funding and various reports.

The first report to the Redevelopment Agency was an Action Outline delivered in August 1989. Most of that outline is included here since it describes the area, and the goals and objectives of the plan. Included are general study

objectives, project background, plan structure, land use conflicts and regulations, and socio-economic conditions. The Action Outline concludes with physical and social goals and objectives followed by tools for implementation.

Finally, since August, the consultants have been commissioned to expand their project boundaries to the south by one block and; to include the concept of a "Government Center" into their planning.

The Government Center concept arose from several different needs for the expansion of public facilities. On the State level, the Judicial Department is looking to combine their courthouses into one efficient structure of approximately 130,000 square feet augmented by parking for 365. Simultaneously, the City has done several studies on expansion of their facilities and is looking to increase the municipal office space by at least 25,000 square feet. In addition, the Police Department is planning to build or buy a new 40,000 square foot building, with sufficient parking spaces, and there is a feasibility study in process for the creation of a Cultural Center Downtown. Additional parking for all new facilities is estimated between 500-600 spaces. The location of all these facilities Downtown, either together in one or two blocks or disbursed throughout the Central Business District (including the North End) is to be decided in the next several months. It is the location of the combined courthouse, in particular, that is the key to the relocating of all the other entities. The North End will probably be the beneficiary of at least one of these facilities.

The City of Middletown would be happy to submit the Redevelopment Plan as soon as it is available and approved. However, until then, it is not possible to be more specific than the Action Plan is in the answers to this part of the application. The City is persuing this plan with vigor, and is optimistic

that it will address the concerns of the Department of Housing. Despite the gap in the timing of the Redevelopment process and application for a Housing Development Zone, the City feels it knows enough about the plan, and can exert sufficient control over it, to ascertain that designation of the North End as a Housing Development Zone would fit, and would be an asset to the plan and ultimately to the neighborhood and its residents.

NORTH END NEIGHBORHOOD ACTION OUTLINE

MIDDLETOWN REDEVELOPMENT AGENCY

CITY OF MIDDLETOWN

AUGUST, 1989

AGENCY MEMBERS

Henry Novicki, Chairman

Vincent Loffredo, Vice Chairman

David Companelli

Attorney Stephen Gionfriddo

Attorney William Howard

Thomas Hutton, Jr.

Herbert Langille

Steven Leinwand

John Makrogianis

Attorney Theodore Raczka

Elizabeth Rak-Roberts

Guy Russo

Louise Russo

Attorney Daniel Z. Shapiro

Stephen Shapiro

Joseph F. Tine

William M. Kuehn, Jr., Executive Director,
Municipal Development Office

NORTH END ACTION OUTLINE

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I. INTRODUCTION

The purpose of the North End Action Study is to identify all appropriate measures which can further the revitalization of this important Middletown Neighborhood. The end product of the study will be an area plan consistent with Connecticut's municipal development and redevelopment statutes including a recommended implementation strategy and specific engineering and design proposals.

A. General Objectives of the Study

The North End is a vital mixed-use district within the Middletown Central Business District (CBD) and the location of the last remaining residential sub-area in the CBD. It represents a rich and colorful part of the City's long history. The North End's building fabric contains historic buildings dating from the late 18th Century, with many fine 19th Century commercial, religious and residential structures. The portions of downtown's Main Street which lie within the North End are defined by rows of three, four and five story commercial and residential buildings, including some historic structures. Several of these buildings have received substantial investments, of public and private funds, for mixed-use renovation under local, state and

federal programs.

Housing and social conditions along Ferry, Green and Rapallo Streets, the hillside residential district facing the Connecticut River, have deteriorated badly. The North End is also (and has historically always been) the location of major regional transportation corridors. These include the crossing of two Connecticut Central railroad lines. Equally important, the North End is the location of the intersection of Connecticut Routes 66, 17 and 9, and the site of the Arrigoni Bridge which crosses the Connecticut River Valley. Topography, housing and social conditions, transportation corridors and connections, historic buildings, business retention, commercial revitalization potentials, traffic and parking needs are all major factors in designing the most effective plan for the North End.

The general objectives of the study are:

- * To ensure that all of these characteristics of the North End are fully considered,
- * To place recommendations for the area in context with actions needed for the downtown area as a

whole and incorporate city-wide housing improvement policies and commercial development programs. Further, to improve access for public use of the Connecticut River, its North End shoreline and Wilcox Island,

- * To carry forward the work of Middletown's North End Task Force by preparing an implementation plan for the district which can make use of the authorities and powers provided for by Chapters 130 and 132 of the Connecticut General Statutes,
- * To recognize that both the public and private sectors have major roles to play in the actions which will be needed to ensure the best future for the North End, and to develop a plan based on this principle,
- * To place balanced emphasis on social, economic and physical aspects in the development of the plan and implementation strategy.

B. Project Background

1. There has been major progress in downtown and neighborhood revitalization in Middletown.

Compared with most cities of its size (approximately 45,000), Middletown has taken an active, progressive approach. Outstanding commercial, residential and mixed use developments have taken place along Main Street, including several structures in the North End. The neighborhood areas to the west have experienced steady stable investment and are strong.

Nevertheless, growing social problems in the North End represent a threatening factor for the neighborhood's future. Regional development patterns also require attention. Substantial office, hotel and retail developments, which will serve the Middletown population, are taking place along I-91, Route 66 and I-691 to the west, as well as along Route 9 and Route 72 to the North. In this regard, the trade areas, feasible merchandising appeal and overall commercial role of the CBD is in a process of dynamic change. It is important that the plan interpret the implications of these changes for the future of the North End, the CBD and incorporate these needs in its development plan.

Two developments of great positive influence and potential lie to the southwest. The campus of Wesleyan University and the new headquarters development of Middlesex Mutual Assurance Company. The presence of an important university and a major corporate office center adjacent to the North End bring significant potentials for revitalization.

2. The investigations, process and findings of the North End Task Force, appointed by the Mayor and Council in 1987, are a basis for the planning study. The immediate cause for the work of the Task Force, and for the current planning program, is what the Task Force described as: "...obvious and apparent convergence in one geographical area of the community (the North End Target Area) of a multitude of serious problems, with no adequate municipal preparation to confront them". In addition to conducting hearings and preparing exhaustively documented findings in the areas of: need for redevelopment planning, human relations, welfare, utilities, recreation, police, fire, sanitary and health, the Task Force specifically recommended an analysis of existing utilities, building structures and public infrastructure

within the area be pursued in the planning and engineering study.

C. Brief History of the North End

The North End served many generations of Middletonians, and many ethnic groups, particularly Italians, as a place of first residence in the City. Its location at the river's edge in a historic port city and at the location of the railroad station and crossing of rail lines made the North End the gateway to Middletown for generations of Scotch, Irish, Italian and Afro-Americans. Its churches, its shops, its houses and tenements and its transportation links all express this historic function. Mills, warehouses and manufacturing plants occupied larger buildings in the riverfront areas (both the Connecticut and the Mattabasset Rivers have played influential roles in the development of the North End). North End residents at the turn of the century not only worked in riverfront industries (including the Portland brownstone quarries) they also shopped in the stores of the central business district.

As a result of this history as a gateway for successive generations, many of the residential buildings of the North End exhibit the problems of intensive use. Many have been abused. As this process continues, a downward spiral begins to accelerate in which severe physical and social problems compound each other. The challenge of the Action Study is to further document these key findings, express a vision for the future of the District which incorporates them and is both forward looking and equitable. The two major issues are consensus building for the plan and a strategy for implementation which can, and will be, carried out.

II. STRUCTURING THE PLANNING AND ENGINEERING WORK TO ACHIEVE RESULTS

A. Plan Format

The first challenge to implementation is to format the plan in a way which is an asset toward achieving these goals. The plan will be formatted as follows:

- I. Introduction - History and Purpose.
- II. Goals and Objectives.
- III. Area Analysis.
- IV. Findings and Recommendations for Residential, Commercial, Public/Institutional and Industrial Service Uses.
- V. Specific Development and Rehabilitation Areas.
- VI. Implementation Strategy.

B. Basis for Implementation

Chapters 130 and 132 of the Connecticut General Statutes provide the basis for an adequate plan. These are Connecticut's basic enabling laws allowing its municipalities to prepare official redevelopment plans and enter into developer agreements. Chapter 105a of the statutes will also be considered for possible

applicability in whole or in part. This statute enables the formation of Municipal Special Service Districts which can provide special, detailed, attention to area conditions.

C. Study Area Reconnaissance

The team has conducted both a walking and windshield reconnaissance of the Project Area, as defined by Map No. 1.

D. Client Liaison

The team has begun a series of interviews with knowledgeable members of the North End Task Force, City Government, the Middlesex County Chamber of Commerce, local businesses and other study area representatives. Close liaison will be maintained with these groups through the conduct of the study.

Railroad trestle swing/bridge) and unused resource of Wilcox Island.

This sub-area and land use pattern provides the framework for the plan. Physical-environmental, land-use, access and circulation and socio-economic conditions affecting each sub-area will be analyzed in detail as the planning process continues.

B. Land Use Conflicts

Major areas of land use conflict are:

- (1) Conflicts between through traffic volumes and adjacent land uses on Main Street, Rapallo Avenue, deKoven Drive and Washington Streets.
- (2) Conflicts between social services provided along Main Street and adjacent retail uses.
- (3) Conflicts between the rail corridor barriers and adjacent uses of all kinds.

C. Relationship to Land Use Regulations

The North End is a historic mixed-use area which has evolved continuously since the founding of the original Middletown settlement in the 17th Century. Its development pattern has little to do with contemporary zoning or subdivision control land-use regulations. The existing zoning of the area is

B1 - Central Business Zone

RF - Riverfront Recreation Zone

MX - Mixed Use Zone

IRA - Industrial Redevelopment Zone

RI - Restricted Residence Zone

While the plan will address zoning and other regulations (such as fire, building and housing code measures), it is the conclusion of the study area reconnaissance that direct social and municipal services policy and programs, design and development inducements and encouragement of new appropriate developments through property acquisition are the needed tools for implementation in the North End.

E. The area defined by the Landfill, the Mattabasset River, the north bound Connecticut Central rail line and the northeastern boundary of the North Main Street Industrial sub-area is classified as Open Land. Some of this area is a wetland area and a flood plain.

F. There are three distinct Residential sub-areas within the Project area:

The Ferry Street/Green Street/Rapallo Avenue Residential sub-area consists of number of housing units which appear deteriorated. Some renovation has been initiated; however in addition to the poor condition of most of the structures there is a vacant school building, a vacant restaurant, and a number of vacant lots. Alsop Avenue bisects the residential sub-area from Washington Street and contains single family homes on one side and machine shops on the other.

Many buildings in this area appear quite old, clearly substandard, unsanitary and some structures may possibly require abatement of hazardous materials. According to the Middletown Fire Chief "....highly combustible construction has established the distinct potential for a conflagration in the area being considered." Some of the structures appear to have "historic preservation" potential. Green Street and Ferry Street appear to have the more deteriorated number of structures. Further, the sewer lines are combined storm/sanitary and overflow in heavy rains into the Connecticut River. The area is poorly lighted, utility poles are tilted and the North End Task Force study indicated utility wiring could affect fire fighting capabilities.

The Portland Street/St. John's Street residential sub-area appears to be in fair physical condition. Vehicular access to this part of the North End is constricted.

VI. SOCIO-ECONOMIC CONDITIONS

A. Demographic Change and Trends

Approximately 1,200 persons reside in the North End. According to information supplied by the Middletown Municipal Development Office, the City of Middletown has considered the North End as the area of highest priority with respect to revitalization since 1975.

Household income in Census Tract 5416, which comprises much of the North End, according to the 1980 census, was \$12,898.

The North End Task Force examined the extent of the social problems which affect the neighborhood including "...deinstitutionalization... health related problems, alcoholism, drug abuse, housing, police and fire department responses.

B. Economic and Business Conditions

As a result of tax credits available for investment in certified historic properties, and the inclusion of North End Main Street properties in the overall Main Street National Historic District in Middletown, some

investment has been made in these properties along Main Street in recent years. The planning study will address economic and business potentials for these properties based on evidence of the overall downtown office, retail and lodging markets.

C. Housing and Social Conditions

There are currently approximately 500 dwelling units in the North End. Housing units in the North End served as a relocation resource for the earlier urban renewal displacement of tenants from the Metro-South Urban Renewal Project. The former Arrigoni Hotel at Main and Liberty Streets has been converted to 79 units of single-room occupancy housing using federal Section 8 housing certificates. The combination of this building, deteriorating housing, and social conditions along Ferry and Green Streets, and the presence of the St. Vincent dePaul soup kitchen as well as the shelters for the homeless at St. Vincent dePaul and the Salvation Army on Main Street is causing a downward spiral of housing and social conditions. Further, the North End Task Force chronicled the disproportionate expenditure of public funds for the preservation of the

public health and safety in this area compared to the rest of the City. The study and plan must address measures to upgrade the housing stock in these areas as well as to address the issue of the impact of the social agencies on the area.

B. PHYSICAL-ENVIRONMENTAL GOALS

B.1. Buildings and Structures

The North End Area contains a mixture of sound buildings, and buildings which are deficient, substandard and/or unsafe due to deterioration or obsolescence. The North End neighborhood is intrinsic to the character of the City of Middletown, sometimes in contrast with other areas of the CBD. There are buildings of substantial construction which need repair, some are buildings having architectural features of historic interest. As an older urban area however, many of the buildings continue to deteriorate. There is a lack of urban amenities and a number of poorly landscaped spaces. Parts of the neighborhood are capable of reflecting the better architecture and urban character from the past while also serving a current useful purpose.

OBJECTIVE #4: Elimination of unsafe and structurally substandard buildings and structures.

OBJECTIVE #5: Improvement and rehabilitation of structurally sound, but deficient buildings.

OBJECTIVE #6: Improvement of the general appearance of the North End by the elimination of detracting features such as overhead utility lines, improved landscaping, street and sidewalk repairs, painting programs, urban amenities, etc.

B.2. Housing

There are buildings in the North End Area which contain deficient and substandard dwelling units. In addition, there is a mixture of family residential and rooming house occupancy with retail and office activities. In general the unsafe and unhealthful living accommodations and the mixture of uses results in both unsatisfactory housing conditions and conditions detracting from successful retail trade and office services.

OBJECTIVE #7: Elimination of substandard housing conditions as well as conflicts resulting from the housing - commercial - retail mixed uses.

OBJECTIVE #8: Construction of new residential housing units as replacement housing for Objective #7. Consider development of the project in conjunction with Middletown Housing Partnership Program.

OBJECTIVE #9: Rehabilitation of sound buildings, and in a manner that preserves historic features and architectural integrity.

OBJECTIVE #10: Review and analysis of Green Street School for use as privately developed residential or commercial entity or some other public facility.

B.3. Traffic - Circulation - Parking

Parking capacity in the Central Business District area of the North End appears to be inadequate to meet the demand. As a result

B.4. Bridge Street/Miller Street

This sub-area, described above as blighted, has significant vehicular access problems. This area abuts open land and an industrial sub-area.

OBJECTIVE #16: Determine if this area, due to existing conditions, geographic location, potential municipal revenue source, and proximity to possible economic development improvements should be developed separately under Chapter 132 of the Connecticut General Statutes.

C. SOCIO-ECONOMIC GOALS

The North End Task Force report thoroughly detailed the extent of social problems within the North End.

From initial interviews conducted with affected North End representation and from the data included in the report, it is apparent a primary reason for the decline in the North End is attributed to the change in

the population of the North End from working families to individuals who use charitable services which are available in the North End.

Census data indicates a large percentage of the residents of the North End are living below the poverty level. The 1980 census determined that the percentage of families to total households is 43%. By constant families comprised 67% of all households in Middletown in 1980. The percentage of families to total households appear to be even lower at this time in the North End.

As the population evolved social services moved to the North End to better serve their clients. Presently, these agencies include the St. Vincent dePaul Soup Kitchen and homeless shelter, the Salvation Army store and homeless shelter and the Community Health Center.

Unemployment or underemployment is evident in the North End. As a result clientele occasionally gathers around the soup

kitchen/shelter/health center area. Such a congregation of individuals could contribute to a misleading perception of downtown Middletown, especially to motorists driving through the area. (According to the traffic study approximately 40% of all traffic entering Middletown comes from the Arrigoni Bridge and southbound Route 9 to Main Street.

OBJECTIVE #17: Development of additional jobs in retail, office, service and manufacturing activities.

OBJECTIVE #18: Encouragement of services which provide job training, counseling and health services to reach out to their clients.

OBJECTIVE #19: Develop alternative locations for placement of social service agencies. Explore other downtown locations including municipally owned land and structures which could accommodate indigent's needs and enhance service provisions.

IX. IMPLEMENTATION TOOLS AND PROCEDURES

A. Connecticut Statutes and Programs

Chapter 130, Section 8-124 of the Connecticut State Statutes contains the requirements for designation of an area as a "redevelopment area" for the purpose of eliminating urban blight. Chapter 132 contains the requirements for designating a development entity for approved project plan areas, thereby offering a means for encouraging new private sector investment in the North End in keeping with an adopted redevelopment plan. As noted above Chapter 105 establishes detailed procedures for establishing a district for project management purposes involving municipal services. It is the goal to investigate all three mechanisms for the North End action plan implementation strategy.

B. Public Private Development Procedures

A vital ingredient in current downtown revitalization efforts is the role of public/private partnerships. These organizations bring together representative of both sectors in common purpose. Normally, they play leading roles in area developer negotiation, service and policy issues, promotion and advocacy. The team

will continue to research Connecticut experience with regard to public/private partnership organization and will incorporate these findings in its work.

C. Regulatory Measures

A fundamental premise of a development plan are devices which help assure a soundly functioning neighborhood. The relationship of buildings to other buildings, uses with other uses, buildings to pedestrians, etc. is critical to the successful implementation of the plan. A number of measures can be incorporated into this plan which helps coordinate the varied uses in a cohesive manner. The plan would incorporate a number of regulatory measures such as zoning, special district designation, floor area ratio's, design standards, bonuses, parking and loading requirement setbacks, lighting, signage, landscaping, urban amenities, etc. Some of these measures could be utilized in non-project areas as appropriate.

D. Financing Mechanisms

An effective development plan must include an approach to project financing. The team has begun an investigation of local, state and federal programs which may realistically be applicable to the North End

effort. These include public infrastructure financing using bond funds, tax-increment financing for project public improvements, use of community development funds for eligible purposes, special assessment mechanisms, Connecticut Housing Finance Authority Loan programs, the urban jobs program and Urban Enterprise Zone Program. The City has had considerable success with its mixed-use (retail/commercial on the first floor and residential rehabilitation alone) program for the North End Main Street properties. In addition, major reliance has to be placed on private sector developer equity and conventional loan financing sources for private development projects.

Request for Proposals
Planning and Preliminary Engineering Study
North End CBD Project Area

General

The City of Middletown is requesting proposals from Planning/Engineering firms to prepare a Planning and Preliminary Engineering study and submit a written report for the North End Redevelopment area as recommended by the North End Task Force in their findings and recommendations dated June 6, 1982.

The Consultant shall be required to assist the City and the Municipal Development office to plan and implement task force recommendations as identified in the report and the following scope of work.

Problem Statement

A. Problem Statement

For over a quarter of a century, the North End of the City of Middletown has been a problem area and studied by various consultants and agencies. The area was recommended for redevelopment action in the 1964 Community Renewal Program Report as prepared for the Redevelopment Agency. In 1969 application was made to the U. S. Department of Housing and Urban Development for a Neighborhood Development Program Grant. Unfortunately, funding was no longer available for that program. Since then, the North End has been targeted for rehabilitation assistance under the Community Development Block Grant Program and numerous smaller projects have been planned and executed including: sidewalk replacement; road reconstruction; off-street parking facilities; and, the designation of Main Street as a Historic District.

In December 1987, the Common Council of the City of Middletown created the North End Task Force, made up, in part of residents and business people of the North End, to conduct a detailed examination of the area and to make its recommendations. The Task Force report was issued to the Common Council on May 2, 1988.

B. Scope of Work

The North End Task Force has recommended that the North End be designated by the Common Council as a "redevelopment area", pursuant to Chapter 130 of the Connecticut General Statutes. As

such, the City is seeking an engineer/planning consultant to assist in planning and implementing those portions of the Task Force recommendations which legitimately fall within the realm of responsibility of a Redevelopment Agency as empowered by the State of Connecticut. Therefore, the tasks necessary in developing the overall redevelopment plan, to meet the needs of the City and the legal requirements of the State of Connecticut, include:

C. Parameters of Study -

The "North End CBD Project Area" consists of a target area identified in Attachment "B" and encompasses but is not limited to the following area and street boundaries:

Main Street North of Washington
Ferry Street
Green Street
Rapallo Avenue
North Main Street
St. John Square
Portland Street
Miller Street
Bridge Street
Hartford Avenue
Portion of Spring Street
Alsop Avenue

1. Analysis of the existing infrastructure of the North End Area, including but not limited to, street scape, traffic flow and pattern, water and sewer conditions, sanitary access, fire access, and overhead utilities.
2. Analysis of current parking availability and development of a proposed new parking area in the North End Project Area, specifically behind the buildings located on the east side of Main Street from Washington Street, north to Rapallo Avenue;
3. Analysis of cost estimates for the acquisition and demolition of structures for the parking and service access proposed to be created in the area located behind buildings on the east side of Main Street, between Washington Street and Rapallo Avenue;
4. Analysis of undergrounding of electric, cable television and telephone wires throughout the North End Project Area and the cost related thereto; with special consideration given to Ferry Street.
5. Analysis of acquisition of existing buildings which are in an abandoned or blighted condition throughout the North End

Project Area, with consideration for historically significant structures as identified on Attachment "E".

6. Analysis of the future development of park area located off of Miller Street for possible development as a boat launch area;
7. Analysis of the construction of an alternative access route to the Miller and Bridge Street area;
8. Analysis of the possible future uses for the landfill site in the extreme north end of the North End Project Area.

In addition to the above stated tasks, the City of Middletown seeks the following:

9. Preparation of an Urban Renewal Plan including the recommendations for improving fire, health and safety welfare of the North End residents and businesses;
10. Analysis of land use in area including identification of sites for potential public use.
11. A cost evaluation of implementing the Plan and the staging for such implementing; to include preliminary construction cost estimates.
12. Assistance in identifying and securing available State and Federal grants to implement infrastructure and other plan features;
13. The Consultant shall provide their hourly rate to provide contract administration and resident inspection services to include but not limited to the following:
 - a) Weekly visit to the site by the consultant during construction.
 - b) Interpretation of construction contract document. Assist in the preparation of any addendum required during construction.
 - c) Advise the City of Middletown on related Engineering problems.
 - d) Review and certify payment requisitions by the contractor.
 - e) Review change orders.
 - f) Final inspection of all construction and submit a written report to the City verifying construction

completion.

g) Assist in the preparation of as builts.

The Consultant shall provide their payroll cost multiplier in addition to their hourly rate in the space provided on the bid proposal page.

14. a) The Consultant shall be required to prepare a written report detailing their findings and recommendations. Thirty (30) copies of this report shall be submitted to the Mayor's office within 120 days from the date of the contract signing.

b) The consultant shall also be required to make an oral presentation of their report to the City Council and Redevelopment agency on a date to be specified by the Mayor.

15. Project Schedule - The City of Middletown requires that the final report be completed within 120 days from the contract signing.

Housing Development Zone

Application of the City of Middletown

II. Applicant Eligibility

6. Statement of need within the zone for adequate, affordable accessible housing
 - a) Narrative
 - b) North End Task Force Report
 - c) Middletown Housing Task Force Report

Section II.6 Statement of Need

Probably the most poignant statement of need for decent affordable housing in the North End is the testimony quoted at the beginning of the North End Task Force Report. This was typical of many hours of testimony heard by that group, and it emphasizes that the neighborhood is in great need of improvement but not of demolition or relocation.

The Five Year Housing Advisory Plan addresses both "affordable" housing and housing for "special populations" i.e. the elderly, disabled and homeless. Presently the area proposed as a Housing Development Zone includes a two-site Emergency Shelter and Soup Kitchen, a Battered Women's Shelter, a 14 unit Transitional Housing apartment building, and a Hotel converted to 79 SRO units. In addition, over 80% of the housing is occupied by low and moderate income people.

There is a general feeling that the North End is presently overburdened with social problems which are deterrents to its physical revitalization. Plans are presently in process to move the Shelter and Soup Kitchen to another location which might not be within the proposed zone. As for the elderly, Middletown has quite a large number of elderly housing developments in various parts of the City, and it has plans to expand at one of them. Because there is a safety problem in the North End, housing for the elderly is not recommended for that area. Insofar as the disabled are concerned, there is likely to be a need for more accessible housing in the North End, primarily because the buildings are quite elderly (before 1930) and are generally not

equipped for the handicapped. For the mentally disabled, there are several outreach social service agencies in the North End, but the housing is not geared in particular to help this population (group homes, etc.) presently. This is a considerable need, because the North End is where a large portion of patients discharged from Connecticut Valley Hospital live. However, this fragile population is in need of greater care and protection.

By far the greatest need in the North End is for "affordability" and "decency" of housing. Although the large majority of substandard housing is so designated because of its cost rather than its condition; there is little doubt that major rehabilitation for both code compliance and general revitalization is needed.

Although the North End Task Force Report is the primary document included here to describe the area and its needs; we have also included excerpts from an earlier report dealing with housing in the North End. Although the estimated costs are not realistic figures any more, the scope of need and most of the details are still valid.

Housing Development Zone

Application of the City of Middletown

II. Applicant Eligibility

7. Housing Assistance Plan and letter of approval

AFFORDABLE HOUSING



Joint Venture for Affordable Housing

U.S. Department of Housing and Urban Development
Hartford Office, Region I
330 Main Street
Hartford, Connecticut 06106-1866

JAN 11 1990

Mr. William M. Kuehn, Jr.
Municipal Development Director
Municipal Building
245 deKoven Drive
Middletown, CT 06604

Dear Mr. Kuehn:

Subject: Housing Assistance Plan
Community Development Block Grant Program

We have completed our review of the City's Housing Assistance Plan for the period October 1, 1989 to September 31, 1992. We have also reviewed the First Annual HAP goals for the period October 1, 1989 through September 31, 1990.

The goals are generally consistent with available data describing the housing stock and needs. Our analysis of housing performance during the prior three years indicates that the majority of Section 8 assistance was targeted to families. The City should include Section 8 assistance to the elderly under the current HAP.

We have approved both the three year and annual Housing Assistance Plans and have enclosed a copy of each for your records.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daniel P. Kolesar".

Daniel P. Kolesar
Director
Community Planning &
Development Division

cc: Linda Ozga
Assistant Director

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ENTITLEMENT PROGRAM

HOUSING ASSISTANCE PLAN

1. NAME OF COMMUNITY

Middletown, Connecticut

2. GRANT NUMBER

B - 8 9 - M C - 0 9 - 0 0 2 2

5. HUD APPROVAL

(Signature of Authorized Official)

1/11/90
(Date)

3. DATE OF APPLICABILITY
FROM: October 1, 1989 TO: September 30, 1992

4. DATE OF SUBMISSION

1/7/89

☒ Original ☐ Revision ☐ Amendment

PART I - HOUSING ASSISTANCE NEEDS

TABLE I - HOUSING STOCK CONDITIONS

	TENURE TYPE	STANDARD UNITS		SUBSTANDARD UNITS		SUBSTANDARD UNITS SUITABLE FOR REHAB		
		OCCUPIED UNITS	VACANT UNITS	OCCUPIED UNITS	VACANT UNITS	OCCUPIED UNITS		VACANT UNITS
						Total	Lower Income	
		A	B	C	D	E	F	G
6	Owner	8,226	124	1,933	20	1,933	360	20
7	Renter	6,496	99	1,866	20	1,866	597	20

TABLE II - RENTAL SUBSIDY NEEDS OF LOWER INCOME HOUSEHOLDS

		ELDERLY	SMALL FAMILY	LARGE FAMILY	TOTAL
		H	I	J	K
8	Very Low Income	399	843	236	1,478
9	Percent	27 %	57 %	16 %	100%
10	Other Lower Income	114	508	120	742
11	ETR	---	50	33	83
12	To be Displaced	0	0	0	0
13	Total	513	1,401	389	2,303
14	Percent	22 %	61 %	17 %	100%

PART II - THREE YEAR GOAL

TABLE I - UNITS TO BE ASSISTED

		REHABILITATION OF SUBSTANDARD UNITS	NEW CONSTRUCTION	CONVERSION TO STANDARD UNITS	HOME IMPROVEMENTS
		L	M	N	O
15	Owner	50	50	0	20
16	Renter	150	50	75	20

(UNITS EXPECTED TO ASSIST LOWER INCOME HOUSEHOLDS)

17	Owner	40	50	0	20
18	Renter	150	50	75	20

TABLE II - LOWER INCOME HOUSEHOLDS TO RECEIVE RENTAL SUBSIDIES

		ELDERLY	SMALL FAMILY	LARGE FAMILY	TOTAL
		P	Q	R	S
19	Households to be Assisted	45	125	35	205
20	Percent	22 %	61 %	17 %	100%

TABLE III - GOALS FOR HUD RESOURCES: SUBJECT TO LOCAL REVIEW AND COMMENT

		ELDERLY	SMALL FAMILY	LARGE FAMILY	TOTAL
		T	U	V	W
21	Households to be Assisted	45	125	35	205

HOUSING TYPE PREFERENCE (Maximum Number of Units that will be Accepted)

22	NEW	100	REHAB	200	EXISTING	200
----	-----	-----	-------	-----	----------	-----

23. ☒ Check this box if the applicant wishes to review State Housing Agency proposals within its jurisdiction.

PART III - GENERAL LOCATIONS

24. Attach map identifying the general locations of proposed assisted housing.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

ENTITLEMENT PROGRAM

1. NAME OF COMMUNITY

City of Middletown

2. GRANT NUMBER

B - 8 9 - M C - 0 9 - 0 0 2 2

3. PERIOD OF APPLICABILITY

FROM: 10/1/89 TO: 9/30/90

4.

☒ Original
☐ Revision
☐ Amendment

5. INCREMENTAL YEAR OF SUBMISSION

☒ 1
☐ 2
☐ 3

6.

HUD APPROVAL

(Date)

7. INCORPORATION OF HAP, PARTS I - III, BY REFERENCE. Parts I, II and III of the HAP approved are incorporated by reference and are not contained in this (second) (third) year submission. (Latest amendment date of the HAP, Parts I - III, if any:)

PART IV - ANNUAL HOUSING ASSISTANCE GOALS			LOWER INCOME HOUSEHOLDS TO BE ASSISTED				
PROGRAM OR PROJECT	HUD	UNITS TO BE ASSISTED		ELDERLY	SMALL FAMILY	LARGE FAMILY	TOTAL
		NUMBER OF UNITS	HOUSING TYPE				
Section 8 Housing Voucher Program	X	70(47)	Rental Assist.	0(4)	70(40)	0(3)	70(47)
Existing Section 8 Program	X	50(60)	Rental Assist.	0(12)	50(44)	0(4)	50(60)
CDBG Residential Rehabilitation Program (Revolving)	X	50(23)	Rehab.	10(2)	30(20)	10(1)	50(23)
CDBG Mixed Use Program (Revolving)	X	30(79)	Rehab.	10(16)	20(63)	0(0)	30(79)
Rental Rehabilitation Program	X	20(0)	Rehab/Rental Assist.	3(0)	14(0)	3(0)	20(0)
CDBG Rehab. of YMCA Residence Facility	X	0(64)	Rehab.	0(10)	0(54)	0(0)	0(64)
Daddario Road Shelter		0(8)	New Constr.	0(0)	0(8)	0(0)	0(8)
Housing Partnership Fund	X	25(0)	New Constr.	0(0)	10(0)	15(0)	25(0)



City of Middletown

MUNICIPAL DEVELOPMENT OFFICE
de KOVEN DRIVE, MIDDLETOWN, CONNECTICUT 06457
(203) 344-3419

November 7, 1989

William Hernandez, Jr. Area Manager
Department of Housing & Urban Development
330 Main Street - 1st Floor
Hartford, CT 06106-1860

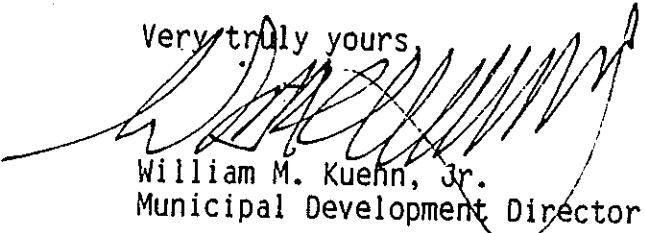
ATTN: Karen Davis

Re: Housing Assistance Plan

Dear Mr. Hernandez:

Enclosed please find three (3) copies of Middletown's Housing Assistance Plan for your review. If you have any questions, please contact me.

Very truly yours,



William M. Kuehn, Jr.
Municipal Development Director

WMK/is
Attachment

cc: Mayor Sebastian J. Garafalo

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ENTITLEMENT PROGRAM

HOUSING ASSISTANCE PLAN

1. NAME OF COMMUNITY

Middletown, Connecticut

2. GRANT NUMBER

B - 8 9 - M C - 0 9 - 0 0 2 2

3. PERIOD OF APPLICABILITY

From: October 1, 1989 to: September 30, 1992

5. HUD APPROVAL

4. DATE OF SUBMISSION

4a.

☐ Original ☐ Revision ☐ Amendment

(Signature of Authorized Official)

(Date)

PART I - HOUSING ASSISTANCE NEEDS

TABLE I - HOUSING STOCK CONDITIONS

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PART II - THREE YEAR GOAL

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HOUSING TYPE PREFERENCE (Maximum Number of Units that will be Accepted)

22		NEW 100	REHAB 200	EXISTING 200
----	--	------------	--------------	-----------------

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PART III - GENERAL LOCATIONS

24	Attach map identifying the general locations of proposed assisted housing.
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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ENTITLEMENT PROGRAM

1. NAME OF COMMUNITY
City of Middletown

2. GRANT NUMBER
B - 8 9 - M C - 0 9 - 0 0 2 2

3. PERIOD OF APPLICABILITY
FROM: 10/1/89 TO: 9/30/90

4. ☒ Original ☐ Revision ☐ Amendment

5. INCREMENTAL YEAR OF SUBMISSION
☐ 1 ☐ 2 ☒ 3

6. HUD APPROVAL
(Signature of Authorized Official) _____ (Date) _____

7. INCORPORATION OF HAP, PARTS I - III, BY REFERENCE. Parts I, II and III of the HAP approved are incorporated by reference and are not contained in this (second) (third) year submission. (Latest amendment date of the HAP, Parts I - III, if any:)

PART IV - ANNUAL HOUSING ASSISTANCE GOALS

PROGRAM OR PROJECT <i>List HUD Assisted Rental Housing Programs first, then other Renter Programs and Owner Programs Separately.</i>	HUD	UNITS TO BE ASSISTED		LOWER INCOME HOUSEHOLDS TO BE ASSISTED			
		NUMBER OF UNITS C	HOUSING TYPE D	ELDERLY E	SMALL FAMILY F	LARGE FAMILY G	TOTAL H
Section 8 Housing Voucher Program	X	70(47)	Rental Assist.	0(4)	70(40)	0(3)	70(47)
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CDBG Rehab. of YMCA Residence Facility	X	0(64)	Rehab.	0(10)	0(54)	0(0)	0(64)
Daddario Road Shelter		0(8)	New Constr.	0(0)	0(8)	0(0)	0(8)
Housing Partnership Fund	X	25(0)	New Constr.	0(0)	10(0)	15(0)	25(0)

ATTACHMENT TO FORM HUD-7091.1(10-82)

Narrative Section on Housing Assistance Needs

1989 is a most difficult year in which to prepare an accurate 3-year Housing Assistance Plan since the basis for evaluating all housing conditions is the U.S. Census of 1980. Over the past 9 years, the City of Middletown has initiated special reports in an attempt to better understand evolving and changing housing needs and to make reporting of these needs more accurate. Notable among the reports written have been: The Housing Task Force Report of 1984; The Middletown Housing Partnership Needs Assessment of 1989; and, the draft Plan of Development of the City of Middletown, also dated 1989.

The operational definitions as developed by the City of Middletown are as follows:

- . Standard - No housing code or building code violations.
- . Substandard - One or more housing or building code violations.

The City of Middletown maintains the position that presently there are no substandard dwelling units which cannot be rehabilitated given sufficient and appropriate funding sources.

Table A, showing the year housing built, has been derived, in part, from building activity statistics for the 1980's as published by the Planning & Zoning Department on August 31, 1989. This data shows that 26.9% of all dwelling units were built prior to 1940. This is important since the measure of substandard units is derived from the assumption that most pre-1940 housing has one or more housing or building code violations.

The Planning & Zoning Department reported a total housing unit count of 18,784. In the Spring of 1989 the Needs Subcommittee of the Middletown Housing Partnership conducted a detailed survey of housing availability and determined that the vacancy rate is 1.4%. This is up slightly from previous

years and does allow for some movement of real estate, in an otherwise fairly tight market. The 1.4% vacancy rate has been assumed "across the board" in Table A.

TABLE A
YEAR HOUSING BUILT

	Owner Occupied	Renter Occupied	Total Occupied	Total Units
Pre-1940	2,207	2,601	4,808	4,876 (25.9%)
1940's	629	602	1,231	1,249 (6.6%)
1950's	1,492	564	2,056	2,085 (11.5%)
1960's	1,451	1,250	2,701	2,739 (14.6%)
1970's	2,396	1,375	3,771	3,825 (20.4%)
1980's	1,984	1,970	3,954	4,010 (21.3%)
Total	10,159	8,362	18,521	18,784 (100.0%)

In developing data for Part I, Table I, all units added to the housing stock in the past three years have been assigned to columns A and B - standard units. The starting point for estimating the current number of substandard units is the prior three year HAP. Thus, the reported substandard, occupied units for 1989 shows a decrease from 1986 to reflect rehabilitation activity over the past three year period as follows:

TABLE B
1986-89 REHABILITATION ACTIVITY

	Owner	Renter
1986-87	10	30
1987-88	12	37
1988-89	12	90
Total	34	157

These numbers do not include the conversion of Shepherd Home on the campus of the Connecticut Valley Hospital into 72 units of transitional housing for the homeless.

The level of the housing activity has been dominated by construction and conversion of units within the Westlake Planned Residential Development in the northwestern portion of the City. Of the 4,010 new units constructed City-wide during the 1980's, 1,901 units are within Westlake. Additionally, it is estimated that 751 units developed during the 1970's as rentals, were converted during the 1980's, to owner-occupied units. Thus, this Housing Assistance Plan reports a greater shift toward owner units than the building permit activity would suggest.

Begun in 1969, the nearly completed Westlake PRD, in the last several years has had no perceptible direct benefit to lower and very low income persons in the community. The Middletown Housing Partnership has determined that in order to purchase a median priced condominium, a family of income of \$50,000 per year is required, assuming the available 20% down payment. Similarly, rental units are generally beyond the financial means of families identified in Part I, Table II.

When the Municipal Development Office prepared the Housing Assistance Plan for the period October 1, 1986 through September 30, 1989, HUD reviewers recommended that the data for Table II, entitled "Rental Subsidy Needs of Lower Income Households" be derived from STF4 data of the 1980 U.S. Census according to HUD methodology. That suggestion was adopted, data revised and subsequently approved by the Hartford Area Office. It serves as the basis for estimating current rental subsidy needs.

In recognition of continued population growth in the City of Middletown, new construction activity, and, an increasing need to provide housing assistance to a growing segment of residents, data accepted in the 1986 HAP has been

increased by the growth rate of occupied units (16.2%) and diminished by the number of units assisted over the past three (3) years through new Section 8 activity by the Middletown Housing Authority (183 units). Table C reflects the changes between 1986 and 1989 in this data.

TABLE C
RENTAL SUBSIDY NEEDS

<u>Elderly</u>		<u>Small Family</u>		<u>Large Family</u>		<u>Total</u>	
(1986)	1989	1986	1989	(1986)	1989	(1986)	1989
(373)	399	(774)	843	(223)	236	(1,369)	1,478
(106)	114	(471)	508	(111)	120	(688)	742
---	---	(50)	50	(33)	33	(83)	83
(479)	513	(1,295)	1,401	(366)	389	(2,140)	2,303

Expected to reside elderly requirements are computed into lines 8 and 10. Presently there are 48 applications for elderly housing before the Middletown Housing Authority....mostly from Middletown residents. The expected to reside estimates show a zero need for current employment patterns based upon the fact that Middletown continues to have a higher percentage of lower income households and a higher percentage of assisted housing than other communities in the Midstate Regional Planning Area.

The ETR estimates do acknowledge minimal and potential influx of employees through new companies and expansion of existing companies in Middletown. A report entitled "Jobs For Connecticut's Future", in analyzing the job market in relation to the population base for Middlesex County, noted: "Middletown may have some displaced workers due to the declining manufacturing industry. They are a valuable resource." In making recommendations to meet job needs, the report encouraged additional educational and training opportunities for

displaced workers, and teaching student residents the technical skills necessary to fit into the Middlesex area job marketplace.

The report identified the largest growth projections as occurring in the producers services field which include the insurance industry and financial fields. Clerical jobs are projected to increase as well as professional and technical opportunities. Clerical positions typically seek keyboard skills, which are increasingly becoming a second wage earner position within existing households. There may, however, be limited influx for professional and technical positions; however, they would not be in the lower income categories and, thus, are not considered part of the Housing Assistance Plan. The basis for planned employment continues to be the 1984 Housing Task Report wherein it is stated that in order to meet the City's housing needs by the year 1990, an average of 170 new dwelling units must be produced annually. Over a three year period, this means 510 new units. By applying 1980 tenure data, 260 will be renter units. Again using the Task Force Report, 32% of all rental units require some kind of housing assistance. Thus, it is estimated that 83 new units will require some rental subsidy over the three year period.

TABLE D
EXPECTED TO RESIDE

	Elderly	Small Family	Large Family	Total
Planned Employment	0	50	33	83
Current Employment	0	0	0	0
	<hr/> 0	<hr/> 50	<hr/> 33	<hr/> 83

From 1980 Census data, Tables E and F have been derived. The former shows the percentage of lower income families by race. The latter shows the percentage of all lower income families by race. While 65% of all Spanish families are considered lower income, Spanish families make up only 3% of all lower income

families in the City. More significant is the black population. The data shows that 53% of all black families are a lower income while throughout the community, lower income black families comprise only 11% of the total.

TABLE E

Percent of Lower Income Families by Race

White	-	39%
Black	-	53%
Spanish	-	64%
Other	-	41%

TABLE F

Percent of Total Lower Income Families by Race

White	-	86%
Black	-	11%
Spanish	-	3%
Other	-	1%

100%

The Connecticut Office for the Protection and Advocacy of the Handicapped estimates that 12% of a community's population suffers from one disability or another. This ratio is based upon 1980 census data. Therefore, applying the 12% figure against the City's current population (45,000) it is estimated that some 5,400 persons are mentally, physically or emotionally handicapped. These figures do not include patients at the Connecticut Valley Hospital. The Advocacy Office indicated that there is a huge need for handicapped housing across the State because many people don't have the incomes to rent in the marketplace.

The Advocacy Office does have any specific data on the City of Middletown. Previous HAP reports, however, indicate that most handicapped persons reside in a family setting and, thus, are neither owners nor renters. Very few are on their own, and when they are, it is in a supervised setting such as at a half-way house.

The City of Middletown has 107 half-way house beds at seven (7) different locations and includes such organizations as Gilead House, Rushford Center, The Connection and MARC Group, Inc. Through the 1989 CDBG Program, Rushford is increasing its beds from 30 to 45, plus adding 8 small apartments for supervised living.

The City of Middletown is also the locational home of Connecticut Valley Hospital, Whiting Forensic Institute, Riverview Hospital for Children, Dutcher Treatment Center and Long Lane School. These facilities combined have 876 beds, most of which can be considered for handicapped persons.

To answer the question concerning expected impact of conversion of rental housing to condominium or cooperative ownership, the Middletown office of Connecticut Legal Aid was contacted. According to Attorney M. Farbman, who specializes in housing law, there is no indication that any low or moderate income housing will be converted in the near future to condominiums or cooperatives. However, it is clearly pointed out that during the next three (3) year period many units constructed with 221d3 or 236 funds are eligible for conversion. Based upon construction occurring between the years 1969 and 1972, it is estimated that 1,279 units owned by Carabetta, Inc., will pass the 20 year threshold for availability to low and moderate income residents. Therefore, if given proper market conditions, there is nothing presently in the law which would prohibit Carabetta, Inc. from moving these units into private ownership. There is no present indication of conversion being proposed. However, the Connecticut Legal Aid Office in Middletown is aware of the situation and would intervene in behalf of the low and moderate income tenants in those projects.

Concerning the need for public housing, the Middletown Housing Authority has a waiting list which, as of October 23, 1989, reveals the following data:

TABLE G

MIDDLETOWN HOUSING AUTHORITY "WAITING" LIST								
Type	Unit Size			Nationality				Female Headed
Housing	1-BR	2-BR	3-BR	White	Black	Hisp.	Laotian	Hlds. W/Children
<u>Federal</u>	9			4	4	1		
		52		17	25	9	1	49
			11	2	7	2		11
Moderate Rental		70		32	34	3	1	63
Elderly	48							
<u>Section 8</u>	29			21	8			29
		112		52	47	10	3	104
			42	20	18	4		36
Non-Residents Applying for Various Housing				18	11	11	1	39

Of the 72 families seeking shelter in Housing Authority administered federal housing, 36 (or 50%) are black; 12 (or 17%) are Hispanic; and 1 family is Laotian. Furthermore, 87.5% of those seeking housing in the federal projects are female heads of household with dependent children.

There are presently 70 applicant families for the moderate rental, State-owned housing administered by the Housing Authority. 49% are black; 4% are Hispanic and one family is Laotian. 90% (63) families are female heads of households with dependent children.

Of the 183 families seeking Section 8 assistance 73; 40% are Black, 8% are Hispanic and 2% are Laotian. An overwhelming 92% are female heads of households with dependent children.

Finally, the Housing Authority has a list of non-residents applying for various kinds of housing. Of the 41 families, 11 are Black, 11 Hispanic, and 1 Laotian. All but 2 are female heads of households with dependent children.

The City of Middletown does not anticipate any displacement or relocation as a result of providing housing assistance.

Narrative Section on Three Year Goal

The proposed three year and annual housing goals are largely predicated on the availability of financial assistance from the Federal and State governments through a variety of housing programs.

The City anticipates the rehabilitation of substandard units to be accomplished through the use of the Residential Rehabilitation and Mixed-Use Programs. FY-1989 marked the first time that neither program was directly funded from the Entitlement grant. Rehabilitation activities of this nature have been "weaned" off the Entitlement program and onto the Revolving Fund which is now generating in excess of \$100,000 a year. The City feels that, for the present, this is satisfactory to act as "seed" money in encouraging property owners, including investment property owners with low and moderate income tenants, to participate in rehabilitation work.

The split between owner and renter occupancy of substandard units is a reflection of the City's fourteen (14) year experience in administering the Residential and Mixed-Use Rehabilitation programs. The administration of these programs is structured so that applicants for either program must reveal their own income status as well as the income levels of the tenants, thus ensuring that the program is overwhelmingly available and beneficial to lower and very low income households.

The Middletown Housing Authority shows a current backlog of existing Section 8 applicants of 183 users. This is an increase of 40 over the last three year HAP. Therefore, the three year program shows a workload of 205 units for rental subsidies which also includes coordination with the Connecticut Department of Housing for assistance under the Rental Rehabilitation Program. The responsibility for administering these programs rests with the City's Rehabilitation specialists and the Middletown Housing Authority.

The Middletown Housing Authority, in addition to their annual applications for

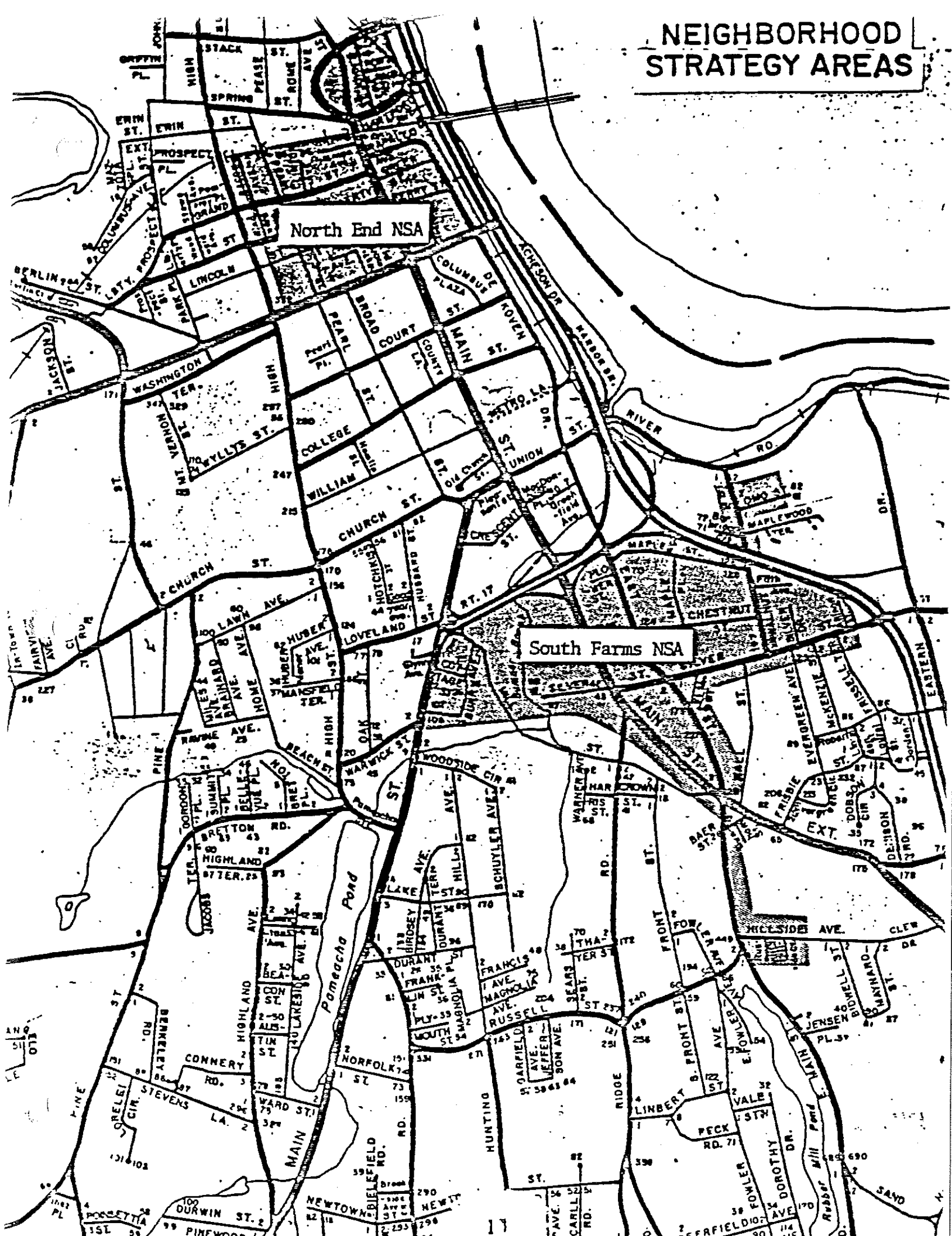
Section 8 certificates, is planning an expansion of 12 to 18 units at Marino Manor, a low income, elderly housing project located within Census Tract 5422. Presently, regulations for this type of housing are being rewritten by the Connecticut Department of Housing and until they are effective the Housing Authority will not be applying for the money. However, within the next 3 year period this project is expected to be completed.

The primary focus for exercising the Residential Rehabilitation Program is in two previously identified Neighborhood Strategy Areas -- The North End and South Farms. The Mixed-Use Rehabilitation Program is concentrated within the North End Strategy Area along Main Street between St. John's Square and Washington Street. The Existing Section 8 program is available throughout the community. However, the pattern seems to be for units to be located in or near the two Neighborhood Strategy Areas.

In the administration of the Rehabilitation programs, the Greater Middletown Community Corporation does not engage in rehabilitation activities which will permanently relocate or displace families or individuals. Rather, they seek to work with property owners where rehabilitation activity can be accommodated with tenants in place, or within vacant units, the latter for the more serious "gut" jobs.

The City of Middletown has engaged a consultant to prepare an Urban Renewal Plan for the City's North End bounded generally on the west by Main Street and North Main Street and on the south by Washington Street and including: deKoven Drive, Ferry Street, Green Street, Alsop Avenue, Rapallo Avenue, St. John's Place, Portland Street, Bridge Street and Miller Street. A plan for the Renewal/Rehabilitation of this area will be presented to the Middletown Redevelopment Agency in late 1989 with public hearings anticipated in early 1990. Because the plan is in its early development stages, it is impossible

NEIGHBORHOOD STRATEGY AREAS



for the City to project now the impact upon the low and moderate income residents within the area. Major acquisition, relocation, rehabilitation or new construction may cause an amendment to be made to the Housing Assistance Plan, at which time the City of Middletown will submit a request for the appropriate revisions. At this writing there is no intent to demolish or cause dislocation of any units by Federal, State or local actions. Rather, the consultants are seeking ways to avoid relocation activity while preserving and expanding the availability of housing for low and moderate income persons within the North End Neighborhood Strategy Area.

Narrative Section to General Locations

The North End Neighborhood Strategy Area consists of parts of three separate Census Tracts - 5411, 5415 and 5416. The South Farm Neighborhood Strategy Area lies almost entirely within Census Tract 5417. Both Neighborhood Strategy Areas have been identified as high priority areas consistently from the outset of the Community Development Block Grant Program in 1975. Over the years, however, the boundaries have been modified to eliminate those blocks or streets where corrective actions have taken place; and, to add in several instances, streets in order to arrest deteriorating conditions.

The addition to Marino Manor by the Middletown Housing Authority will occur within Census Tract 5422.

The North End Renewal Study Area lies almost entirely within Census Tract 5416. Only the residences associated with the Miller and Bridge Street area lie within Census Tract 5411. The North End Renewal Study Area is being approached in such a way so as to conform with the Urban Renewal requirements of HUD and with the renewal statutes of the State of Connecticut.

Supporting Narrative of Form HUD-7091.2

The annual housing goal, in support of the 1989 Entitlement Grant, calls for the continuation of the rehabilitation programs primarily from the Revolving

Fund which has been established beginning with loans exercised in 1975. Annually in excess of \$100,000 are returned to the fund and reprogrammed for the continuation of rehabilitation for low and moderate income persons. These monies are matched with privately obtained funds which, together, should yield a total of 80 units under the Residential Rehab and Mixed-Use Rehabilitation Programs. The emphasis continues to be on small family assistance under both of those programs, particularly in the North End Neighborhood Strategy Area. The Housing Authority advises they are anticipating funding sources to allow a work program of 70 units under the Section 8 Housing Voucher Program and another 50 units under the Existing Section 8 program. These, of course, are depended upon the availability of the such units from HUD.

Because of the negative consequences resulting in rehabilitation through displacement, the City of Middletown and its administrator of rehabilitation funds, the Greater Middletown Community Corporation, do not engage in rehabilitation activities which will require individuals and families to move from the buildings during the rehabilitation process. Rather, the City of Middletown seeks to improve units which become periodically vacant and must be brought up to code in order to re-enter the housing market, or seeks vacant buildings and/or non-residential conversions so as to completely avoid displacement of low and moderate income persons.

Last year's work program shows the provision of 8 units of Emergency Shelter Housing on Daddario Road. The funding for these units was provided from the State of Connecticut in a program put together by the local chapter of the American Red Cross, the Middletown Housing Authority and the Middletown office of Connecticut Legal Aid.

In response to the State of Connecticut's call for the creation of a Local Housing Partnership, a partnership was formed pursuant to Public Act 88-305 of

the Connecticut General Assembly. In early 1989 the Partnership analyzed the housing needs of the City of Middletown and determined that one of the larger, unmet needs is the "pent-up" demand for ownership opportunities by persons of low and moderate income. In response to this need the Housing Partnership appealed to the Common Council of the City of Middletown and was awarded \$250,000 from the CDBG Rehab Revolving Fund as a program change and amendment to the 1989 Entitlement Program.

A subcommittee has been formed to study and make recommendations for specific ways to use these monies to make homeownership opportunities available to those who otherwise would not qualify for homeownership under conventional banking scrutiny. The prime considerations being considered are assistance in down payments and/or assistance in closing costs.

The Connecticut Department of Housing, at the present time, has an application before it from a non-profit, community based organization which seeks to purchase land for which all permits have been granted for a subdivision. The intent is to provide manufactured housing on the site and couple it with the Housing Partnership Fund to allow first-time qualified buyers to purchase homes. Hence, the success of this program depends, in part, upon the availability of funds from the Connecticut Department of Housing. If approved, this project will most likely occur in Census Tract 5422.

Housing Development Zone

Application of the City of Middletown

II. Applicant Eligibility

8. Statistical Data on Housing Needs and Marketability

- a) "Highlights on Housing Needs in Middletown from State, Regional and Local Sources" compiled for the Middletown Housing Partnership, 8/88
- b) Regional Housing Needs Assessment for the Midstate Planning Region, 12/87
- c) Middletown Housing Partnership Report of the Subcommittee on Housing Needs, 3/89

HIGHLIGHTS ON HOUSING NEEDS IN MIDDLETOWN FROM STATE, REGIONAL & LOCAL SOURCES

- * Population of Middletown grew from 39,000 in 1980 to 41,220 in 1986 and is estimated to reach 44,539 in 2,000; an increase of 14.1% over 20 years.
- * There will be a significant decline in the number of children (under 20) and young adults (20-35) while adults and elderly will see a significant increase. In particular there will be a substantial increase in the numbers of elderly in advanced old age.
- * There has been a continuous decrease in household size-a trend which is expected to continue-owing to such factors as increased divorces, later marriages, fewer children per family, and increased life expectancy.
- * Smaller household size results in an increase in total numbers of households and thus an increasing demand for more, but smaller, units.
- * Some 3,900 additional units are required to meet the regions current housing needs (1986)
- * Most significant need is for affordable rental units
- * Of the 2,990 inadequate units in the Midstate Region based on physical condition, overcrowding, and households paying more than 30% of their income on housing, 2,455 fall into the latter "unaffordable" category
- * In Middletown, of the 2,756 units which are not adequate, 2,152 are unaffordable and 604 are substandard.
- * Median income for a family in Middletown was \$11,280 in 1969; \$21,085 in 1979; \$34,157 in 1986, and \$40,300 in March 1988.
- * Because of both Wesleyan and CVH, Middletown, has a significantly high number of people living in group quarters at fairly modest cost. These institutions and special places skew the rent factors for the population as a whole if included in the same data base.
- * Lower income households tend to be concentrated in the rental market
- * In Middletown only 24.3% of the 7,197 families who rent had incomes over \$20,000 in 1980; whereas 59.5% of the 6,933 families who own their homes were in that category.
- * Between 1980-1986 Middletown significantly increased its multi-family units. Nearly 1,500 units were built compared to 539 single family units.
- * Middletown has more than 50% of its housing in rental stock.
- * A reasonable, healthy vacancy rate is considered 5% for rental units and 2.5% for owner occupied units. In 1984, in Middletown, the rental vacancy rate was 1.1 and owner rate 0.4. This shows a significant tightening of the market since 1980, a trend which is continuing.
- * Median contract rent in 1980 was \$212 per unit in the region. In 1987, \$600-\$825 with utilities and \$435-\$800 without.

- * Increases in income have not kept pace with increases in rent
- * Current fair market rent for Middletown for a unit including utilities is: \$341 for an efficiency; \$415 for 1-BR; \$489 for 2-BR; \$612 for 3-BR, and \$685 for 4-BR. Actual, non-subsidized rents in the private sector start at \$650 for 1-BR and \$795 for 2-BR.
- * Increases in income have not kept pace with increases in selling price.
- * Median selling price for a house in Middletown in 1980 was \$60,300; in 1986 \$90,500 and according to the multiple listings of July 15, 1988 the median available dwelling (per unit/single family, multi-family and condo) was \$151,212, an overall increase of 151%.
- * Middletown's median family income in 1979 was \$21,085; in 1986, \$34,157 and in 1988 \$40,300, an overall increase of 92%.
- * Using the "affordability" ratio of 2.5 to 3.5 of income as an affordable purchase price:
 - 2.5 to 3.3 of 1980 median income = \$52,712 - \$69,580
Thus showing most median priced houses to be "affordable"
 - 2.5 to 3.3 of 1988 median income = \$100,750 - \$132,990
Thus showing all median priced houses to be "unaffordable"
- * Substandard housing has been addressed in active residential rehab programs funded through CDBG
- * Special concerns of the region include: The homeless, impact of housing affordability on economic development and vice versa, escalating land costs, conversion of subsidized housing, and increasing needs of the elderly.
- * The State DOH has tailored many of their programs for the special needs population.
- * Federal housing policies have contributed drastically to the loss of affordable housing.
- * Units will continue to fall out of the existing assisted inventory due to obsolescence, possible demolition of publicly-owned housing and conversion of privately-owned facilities to other uses as the service periods expire.
- * The Tax Reform Act of 1986 dealt a severe blow to the incentives for building low and moderate income housing; however, the Tax Rehabilitation Act of 1987 will try to restore some of these.
- * Even though there is a residential "building boom" with the increased popularity of condominiums, many factors point to continued high demand for all kinds of housing in all price ranges. The numbers of new housing units built will decline; however, from 27,800 new units in 1986 statewide to 22,000 units in 1989, and 19,000 units in 1990 and 1991.

- * Recent population trends in Connecticut have intensified the need for private and publicly assisted housing affordable to low and moderate income people.
- * Connecticut's tremendous economic prosperity has not made a difference for the hard core unemployed and for the working poor. In fact, it has made things worse for them.
- * Rents are expected to increase 30% over the next five years.
- * Nearly one out of every six residents in Connecticut has a physical and/or mental impairment which is substantial limitation to life's major activities.
- * Congregate housing is an alternative to traditional elderly housing which is especially attractive to the frail elderly population and is considerably less expensive than nursing homes.
- * Federal pilot programs for the growing population of female-heads of households below the poverty level are being conducted in Hartford and Willimantic. DOH endorses this concept and is looking toward a similar comprehensive State program with the Departments of Human Resources, Income Maintenance, Labor and Children and Youth Services.
- * Loss of SRO's to gentrification, condo and office conversions, and urban renewal programs substantially contributes to the increased population of homeless.
- * The "New" homeless population estimated at 1,700-3,500 Statewide includes families; working poor; newly unemployed, young and old; single parents with children; highly skilled and educated people; drug and alcohol dependent persons; victims of domestic violence; and, the deinstitutionalized.
- * CHFA provides homeownership assistance to eligible first-time homebuyers; however, although there are many of these, there are very few homes which are CHFA eligible for these buyers. The CHFA price limit (\$120,000) is far below the median price of a dwelling unit and those which fall within the CHFA guidelines for price are substandard physically.

Municipal Development Office
August 1988

AFFORDABILITY ANALYSIS

RENTAL COSTS EXAMPLE

1. Annual income = \$40,300*
2. Gross monthly income = $\$40,300 \div 12 = \$3,358$
3. Maximum affordable monthly rent, including utilities = $\$3,358 \times .3 = \$1,007$

This estimate is based on the assumption that an affordable rent, including utilities, should not exceed 30% of income.

HOME SALES PRICE EXAMPLE

1. Annual income = \$40,300
2. Gross monthly income = $\$40,300 \div 12 = \$3,359$
3. Monthly income available to carry mortgage, taxes and hazard insurance = $\$3,359 \times .28 = \941

28% is a standard national ratio that banks use to determine what part of gross monthly income can be used with 20% down to carry mortgage, taxes and hazard insurance. A second ratio of 36% is used to cover mortgage, taxes and insurance plus all other debt.

4. Monthly income available for mortgage only = \$941 -
\$115** monthly tax - \$35, monthly hazard insurance =
\$791

This example deducts an estimate of taxes in Middletown. Tax estimates will increase from year to year, for the next four years.

* Median Income in Middletown for a family of 4.

** Based on the second year of Middletown's five-year phase in and the current mill rate of .0345

5. Monthly mortgage payment for an 11% mortgage, 30 year term
= \$9.52 per month per \$1,000 mortgage amount.

$$\begin{aligned} \text{Maximum affordable mortgage} &= \$791 \div \$9.52 = \$83 \\ \text{X } \$1,000 &= \$83,000 \end{aligned}$$

6. Maximum affordable sales price = \$83,000 \div .8 = \$103,750

This estimate assumes a 20% downpayment. The analysis could be varied based on mortgage interest rate and downpayment terms.

A simplified method of estimating affordability would be to estimate the affordable sales price as 2.5 to 3.3 times income.

<u>INCOME</u>		<u>AFFORDABLE MONTHLY RENT (INCLUDING UTILITIES)</u>
(1)	\$46,345	\$1,159
(2)	\$40,300	\$1,007
(3)	\$32,240	\$806
(4)	\$20,150	\$504

AFFORDABLE SALES PRICE BY MORTGAGE
INTEREST RATE

<u>INCOME</u>	<u>11%</u>	<u>10%</u>	<u>9%</u>	<u>8%</u>
\$46,345	\$120,000	\$130,000	\$141,250	\$155,000
\$40,300	\$103,750	\$112,500	\$123,750	\$135,000
\$32,240	\$83,000	\$88,750	\$97,500	\$106,250
\$20,150	\$50,000	\$53,750	\$58,750	\$65,000

- (1) 115% of median income for Middletown PMSA (moderate income level)
 (2) Median income for Middletown PMSA, March, 1988
 (3) 80% of median income for Middletown PMSA (low income level)
 (4) 50% of median income for Middletown PMSA (very low income level)

CAN MIDDLETOWN'S MUNICIPAL WORKFORCE AFFORD TO LIVE HERE?

- * Middletown's sixty-one Police Patrol Officers have an average salary of \$26,115.
- * A Firefighter makes \$27,626 - Middletown has 30.
- * Captains and Lieutenants in the Police and Fire Departments earn from \$28,931 to \$36,143.
- * The approximately eighty-four laborers whose jobs range from maintenance workers, to truck drivers, to constables, etc. have an average yearly income of \$17,359.
- * Middletown has approximately sixty-two clerical workers whose salaries range from \$15,578 to \$23,411.
- * The average salary for skilled tradespeople is \$23,338.
- * There are thirty-four professionals working for the City of Middletown at an average salary of \$24,414.

Laborer/Clerk
\$17,000

1-BR Subsidized Rent (\$415 FMR)

Professional
\$24,000

1-BR Subsidized; 2-BR Subsidized; 2 Family Older Home; CHFA Financed Unit @ \$75,000 or conventionally financed unit at \$58,000 (none exist in Middletown)

Police Captain
\$36,000

1 or 2-BR Subsidized; 1 or 2-BR Private Rental, 2-Family; CHFA Financed Unit at \$114,125 (Small older "starter" on small lot-3 available 7/15/88) or conventionally financed unit at \$88,000 (older converted condo)

2 Average
City Salaries
\$50,000 (not
CHFA eligible)

1 or 2-BR Subsidized; 1 or 2-BR Private Rental including some luxury rentals & condo rentals; 2 family; Older or new condo up to \$129,500; Older renovated "starter" on small lot (14 available 7/15/88 in PRD's and older parts of town) up to \$129,500

City Laborer
or Clerk
\$17,000

City
Professional
\$24,000

Police
Captain
\$36,000

2 Average
City Salaries
\$50,000

1-BR Subsidized
Rental (\$415 FMR)

2-BR Subsidized
Rental (\$489 FMR)

2 Family Older Home
with Rental Unit
Earning \$450-\$650

1-BR Private Rental
(\$650-\$850)

2-BR Private Rental
(\$775-\$900)

Converted Condo*

CHFA Financed Older
"Starter" Home on
Small Lot
\$110,000-\$115,000

New Condo up to
\$130,000*

Small Renovated Older
Home on Small Lot
\$115,000-\$130,000

2-BR Starter Home
w/garage or older,
larger house (3-BR+)
\$150,000+

Luxury Condo
\$150,000+

"Trade-up" House on
Larger Lot
\$200,000-\$350,000+

Not
applicable

* Although converted condos are available for \$79,000+ and new condos for \$98,000+ they are not CHFA certifiable and therefore not "affordable" with a conventional rate mortgage.

PHA DATA FOR MIDDLETOWN

<u># UNITS</u>		TOTAL 939
<u>426</u>	Federally Assisted	300 Family 126 Elderly
<u>238</u>	Moderate Rentals	198 Family 40 Elderly
<u>190</u>	Section 8 - Existing (not rehabbed but at fair market rent)	
<u>66</u>	Section 8 - Vouchers	
<u>19</u>	Moderate Rehab	

<u>WAITING LIST</u>		TOTAL 350
<u>118</u>	For Federal Housing	39 Elderly 11 1-BR 35 2-BR 32 3-BR 1 4-BR
<u>127</u>	For Section 8	22 1-BR 52 2-BR 53 3-BR
<u>105</u>	For Moderate	All 2-BR

With 350 families on the waiting list the vacancy rate is obviously non-existent.

MEDIAN INCOME* BY FAMILY SIZE

<u>Family Size</u>	<u>Median Income</u>	<u>30% of Median</u>	<u>Maximum Monthly Housing Payment</u>
1	\$28,200	\$ 8,460	\$ 705
2	\$32,200	\$ 9,660	\$ 805
3	\$36,200	\$10,860	\$ 905
4	\$40,300	\$12,090	\$1,007
5	\$43,500	\$13,050	\$1,087
6	\$46,700	\$14,010	\$1,167
7	\$50,000	\$15,000	\$1,250
8	\$53,200	\$15,960	\$1,330

* Approved March 30, 1988

THE MIDDLETOWN HOUSING PARTNERSHIP NEEDS ASSESSMENT

INFORMATION SOURCES

1. 1987 Five Year Housing Advisory Plan, Department of Housing
2. Regional Housing Needs Assessment for the Midstate Planning Region, December 1987, Midstate Regional Planning Agency
3. A Survey of Rental Housing Costs and Vacancy Rates in the Capital Region, March 1988, Capitol Region Council of Governments
4. State of Connecticut Blue Ribbon Commission on Housing - Report and Recommendations to the Governor & General Assembly, March 1988
5. "Example of Housing Task Force Planning Process", Capitol Region Council of Governments
6. Journal of Housing, July/August 1988, "Opinion and Comment", "Preserving Affordable Housing: What Role for PHA's?", "Public Housing Architecture," & "Using the Tax Credits: financing Rehabilitation"
7. "Affordability Analysis", Municipal Development Office, August 1988
8. 1987 Annual Housing Market Report, Department of Housing, March 1988
9. Multiple Listing Service Information, Greater Hartford Association of Realtors
10. Telephone Survey of local landlords and property management companies regarding rental rates and vacancies.
11. Middletown Housing Authority - information on existing programs, Section 8 program and waiting lists.
12. Program Brochure, Department of Housing
13. "Use It" "Don't Abuse It", Fair Housing 1988, Middletown Department of Human Relations
14. "List of Apartments", City of Middletown Tax Assessor's Office
15. Profile of the City Workforce, City of Middletown Personnel Office
16. Economic & Industrial Development News, May 23, 1988, "Link between affordable housing and Economic Development studied"

REGIONAL HOUSING NEEDS ASSESSMENT

FOR THE

MIDSTATE PLANNING REGION

This report is part of a regional housing needs assessment being carried out with financial participation of the State of Connecticut for a Regional Housing Needs Assessment Agreement administered by the Office of Policy and Management, State of Connecticut.

STAFF REPORT

DECEMBER 1987

REGIONAL HOUSING NEEDS ASSESSMENT

for the

Midstate

Planning Region

December 1987

Executive Summary

MIDSTATE

CHAPTER I

EXISTING CONDITIONS

1. POPULATION

TOTAL POPULATION		% CHANGE 80-86
1980	1986	
<u>87,203</u>	<u>93,010</u>	<u>6.6%</u>
TOTAL HOUSEHOLDS		% CHANGE 80-86
1980	1986	
<u>30,710</u>	<u>37,371</u>	<u>21.7%</u>
INSTITUTIONAL POPULATION 1980		NON-INSTITUTIONAL POPULATION 1980
<u>2,593</u>		<u>84,610</u>

2. HOUSING CHARACTERISTICS

TOTAL HOUSING UNITS (YEAR-ROUND)				PERCENT CHANGE 1980-1986	
Single Family		Multi-Family		S.F.	M.F.
1980	1986	1980	1986		
<u>20,942</u>	<u>24,839</u>	<u>10,277</u>	<u>12,882</u>	<u>18.6%</u>	<u>25.3%</u>
GOVERNMENT ASSISTED UNITS				PERCENT CHANGE 1980-1986	
Owner (CHFA)		Renter		OWNER	RENTER
1970-80	1981-86	1980	1986		
<u>589</u>	<u>1,128</u>	<u>2,432</u>	<u>3,182</u>	<u>91.5%</u>	<u>30.8%</u>
VACANCY RATE				PERCENT CHANGE 1980-1984	
OWNER		RENTER		OWNER	RENTER
1980	19 <u>84</u>	1980	19 <u>84</u>		
<u>1.0</u>	<u>0.7</u>	<u>4.1</u>	<u>1.4</u>	<u>-30%</u>	<u>-66%</u>
AVERAGE NUMBER OF PERSONS PER HOUSEHOLD				PERCENT CHANGE 1980-86	
1980	1986				
<u>2.7</u>	<u>2.57</u>			<u>-4.7%</u>	

MIDSTATE

INCOME AND HOME VALUE

MEDIAN INCOME

FAMILY INCOME			HOUSEHOLD INCOME		
1980	1986	% CHANGE	1980	1986	% CHANGE
<u>22,763</u>	<u>37,200</u>	<u>63.4</u>	<u>19,959</u>	<u>N/A</u>	<u>N/A</u>

HOUSEHOLDS BY INCOME GROUP IN 1980

	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>High Moderate</u>	<u>% of Total Households</u>
Owner	<u>2,582</u>	<u>3,225</u>	<u>5,014</u>	<u>5,124</u>	<u>80.1%</u>
Renter	<u>3,489</u>	<u>2,631</u>	<u>2,005</u>	<u>1,567</u>	<u>89.8%</u>

SELLING PRICE/RENT

MEDIAN SELLING PRICE		AVERAGE RENT (2 BR)		PERCENT CHANGE 1980-1986	
1980	1986	1980	1986	SELLING PRICE	RENT
<u>62,200</u>	<u>92,500</u>	<u>212</u>	<u>425-850</u>	<u>49%</u>	<u>100-301%</u>

(LOCAL SURVEYS, IF AVAILABLE)

SUMMARY STATEMENT: The Region's population has grown by 6%, while the housing stock has increased by 16%. Median family income has increased by 63%, while the cost of a median priced home has increased by 49%. Rents have increased by 100% more than during the 1980-86 period.

CHAPTER II

HOUSING UNITS REQUIRED TO MEET REGIONAL NEED

1. VACANCY DEFICIENCY

REGIONAL NEED OF UNITS REQUIRED TO ACHIEVE DESIRABLE VACANCY RATES OF 5% FOR RENTER OCCUPIED UNITS AND 2.5% FOR OWNER OCCUPIED UNITS (1986).

A. 464 RENTAL UNITS NEEDED

B. 447 OWNER UNITS NEEDED

2. INADEQUATE UNITS

REGIONAL NEED REQUIRED TO ELIMINATE INADEQUATE UNITS BASED ON PHYSICAL CONDITION, OVERCROWDED CONDITIONS AND HOUSEHOLDS PAYING EXCESSIVE PORTION OF INCOME ON HOUSING.

C. 2,990 ADDITIONAL OVERALL UNITS NEEDED

D. 2,455 ADDITIONAL AFFORDABLE RENTAL UNITS NEEDED

3. SPECIAL HOUSING NEEDS - TRENDS AND CONCERNS (NARRATIVE)

See Chapter III

4. TOTAL UNITS REQUIRED IN THE Midstate REGION TO ALLEVIATE LOW VACANCY RATES, SUBSTANDARD HOUSING CONDITIONS AND PROVIDE FOR THE REGION'S SPECIAL HOUSING NEEDS IN 1986:

ESTIMATED TOTAL UNITS REQUIRED IN THE REGION (A+B+C):

3,901 TOTAL UNITS REQUIRED

SUMMARY STATEMENT

Based on a conservative methodology, it is estimated that some 3,900 additional units are required to meet the Region's current housing needs. The most significant need is for adequate affordable rental units. The deficiency in this area accounts for almost two thirds of the Region's total housing shortage.

CHAPTER III

SPECIAL REGIONAL CONCERNS

Several areas which should be carefully considered in development of a Regional Plan for housing in the Midstate Region are:

- (A) The problem of providing for the homeless.
- (B) Increased demand for housing resulting from continued economic development both within the Region and in adjacent Regions.
- (C) The relative increase in land costs as a component of total housing costs.
- (D) The potential conversion of subsidized housing to market rates over the next ten years.
- (E) The increase in the Region's elderly population will result in a demand for new housing types to meet this group's special needs.

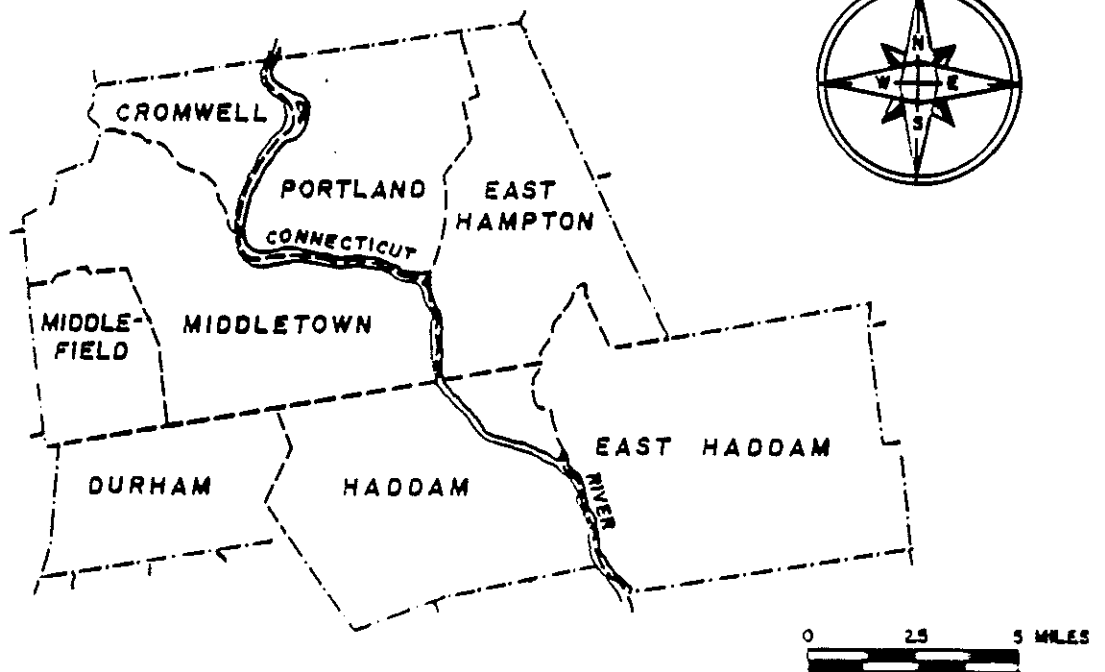
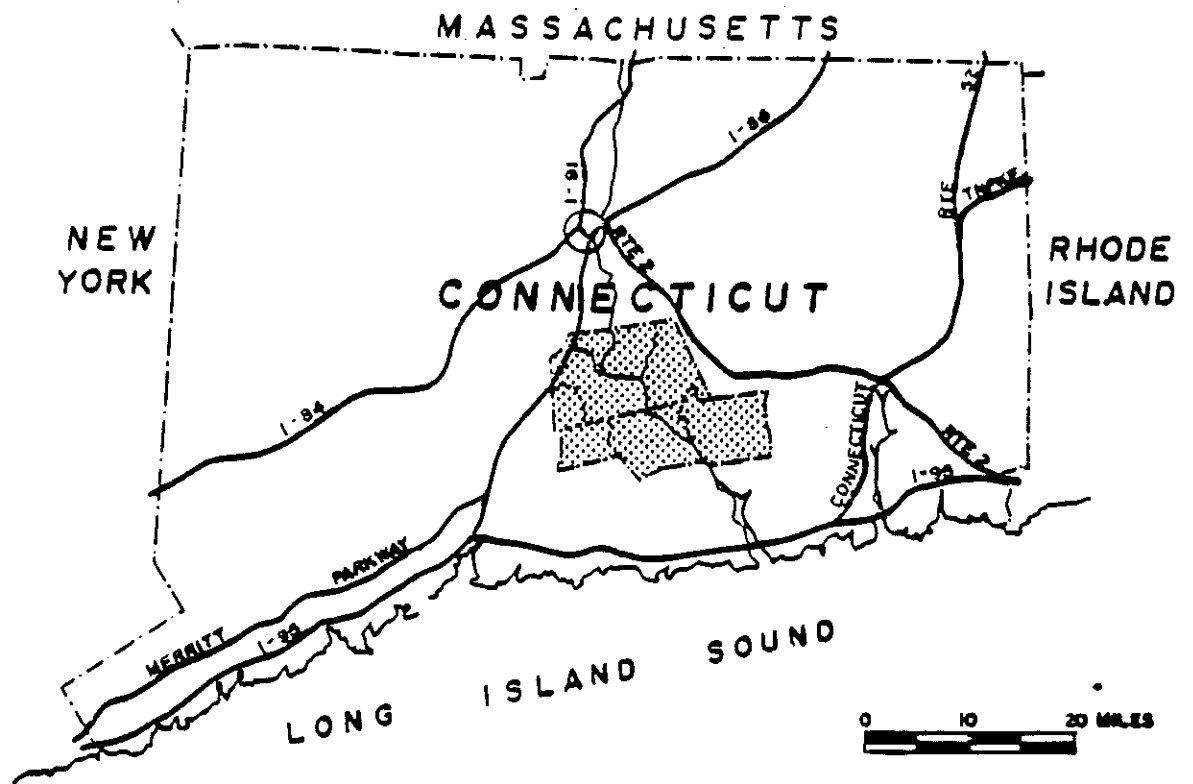
INTRODUCTION

In recognition of the critical housing problems facing the State of Connecticut, the General Assembly adopted P.A. 87-550. Part of this legislation called for each Regional Planning Agency to prepare a housing needs assessment for its Region. This report constitutes the Regional Housing Needs Assessment for the Midstate Region.

The Midstate Region is made up of eight municipalities in northern Middlesex County. The City of Middletown is the largest of the Region's member towns and serves as its central city. The other member towns are Cromwell, Durham, East Haddam, East Hampton, Haddam, Middlefield and Portland.

Seven of the eight communities comprise the Middletown Primary Metropolitan Statistical Area (PMSA). The Town of East Haddam has been included in the Hartford PMSA.

The report consists of three chapters. Chapter I reviews trends in population and housing, Chapter II provides an estimate of housing needs, and Chapter III identifies critical issues facing the Region in the area of housing.



LOCATIONAL MAP
MIDSTATE PLANNING REGION

CHAPTER I - EXISTING CONDITIONS

This chapter provides an overview of key trends in the population and housing characteristics of the Region. Section 1 focuses on demographic conditions while Section 2 looks at housing stock.

Section 1 - Population

A. Population Growth

In 1980, the total population of the Midstate Region was 87,203. The estimated 1986 population based on Connecticut Department of Health Services (DHS) estimates is 93,010. Over the period, the Region grew by 6.6%. East Haddam was the fastest growing community, increasing by 11.5%. Two communities, Middlefield and Portland, grew by only 2.7%. Table 1 provides information on population increase since 1980 by town for the Midstate Region.

Table 2 provides population projections for the towns and the Region to the year 2000. Between 1980 and 2000, growth in the Region is anticipated to occur at a relatively rapid pace. The towns of Haddam, Cromwell and East Hampton are projected to grow more rapidly than the Region as a whole. Portland and Middlefield are projected to be the slowest growing communities in the Region.

TABLE 1

TOTAL POPULATION, 1980, 1986

<u>TOWN</u>	<u>1980</u>	<u>1986</u>	<u>% CHANGE 1980 - 1986</u>
Cromwell	10,265	11,390	11.0
Durham	5,143	5,530	7.5
East Haddam	5,621	6,270	11.5
East Hampton	8,572	9,350	9.0
Haddam	6,383	6,740	5.6
Middlefield	3,796	3,900	2.7
Middletown	39,040	41,220	5.6
Portland	8,383	8,610	2.7
Region	87,203	93,010	6.6

Source: 1980, U.S. Census, 1986 CT Dept. of Health Services

TABLE 2

PROJECTED POPULATION 1980 - 2000

<u>TOWN</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>% CHANGE 1980 - 2000</u>
Cromwell	10,265	11,573	12,772	24.4
Durham	5,143	5,819	6,292	22.4
East Haddam	5,621	6,119	6,617	17.7
East Hampton	8,572	9,571	10,572	23.3
Haddam	6,383	7,580	8,578	34.4
Middlefield	3,796	4,201	4,321	13.8
Middletown	39,040	41,740	44,539	14.1
Portland	8,383	9,119	9,540	13.8
Region	87,203	95,718	103,228	18.4

TABLE 3

POPULATION BY RACE AND SPANISH ORIGIN, 1980

<u>TOWN</u>	<u>BLACK</u>	<u>%</u>	<u>WHITE</u>	<u>%</u>	<u>OTHER</u>	<u>%</u>	<u>SPANISH ORIGIN</u>	<u>%</u>
Cromwell	245	2.4	9,939	96.8	81	0.8	113	1.1
Durham	42	0.8	5,050	98.2	51	1.0	46	0.9
East Haddam	22	0.4	5,561	98.9	38	0.7	35	0.6
East Hampton	84	0.9	8,442	98.5	46	0.6	49	0.6
Haddam	45	0.7	6,308	98.8	30	0.5	39	0.6
Middlefield	13	0.3	3,769	99.3	14	0.4	30	0.8
Middletown	3,748	9.6	34,425	88.2	867	2.2	1,005	2.6
Portland	163	1.9	8,140	97.2	80	0.9	73	0.8
Region	4,362	5.0	81,634	93.6	1,477	1.7	1,390	1.6

Source: U.S. Census

B. Race

Table 3 provides data on the Region's population by Race and Spanish origin. As the Table indicates, the Region's population is predominantly white. The non-white population is concentrated in Middletown. More than 85% of the Region's Black population of 4,362 and 59% of the population classified as other reside in the City. The "Other" classification includes American Indians, Eskimos, Asian and Pacific Islanders.

Similarly, the Region's Spanish population is primarily concentrated in the City of Middletown. The group makes up only 1.6% of the Region's population, but approximately 72% of this group resides in Middletown.

C. Age

Table 4 provides projected population by age group for the Region. As the table indicates, several changes in the age distribution of the Region's population are expected over the next 15 years. A significant decline in the number of children (under 20 years) and young adults (20-35 years) is anticipated, while adults and the elderly are expected to see significant increases. In particular, the increase in the elderly population (65 and over) is expected to have significant impact on the Region's housing situation.

Furthermore, the growth in the older segments of the Region's population is not limited to any single municipality but is expected to occur in all eight communities to a significant degree.

TABLE 4

MIDSTATE REGION POPULATION BY AGE, 1980 - 2000

<u>AGE</u>	1980		2000	
	<u>NUMBER</u>	<u>%</u>	<u>NUMBER</u>	<u>%</u>
0 - 19	26,097	30	23,065	22
20 - 34	23,647	27	20,236	20
35 - 64	27,999	32	45,843	43
65+	9,460	11	14,084	15
Total	87,203	100	103,228	100

Source: CT Office of Policy and Management Revised Population Projections, 1984.

D. Group Quarters

The proportion of the Region's population residing in Group Quarters is 4.6%. Group Quarters includes schools, hospitals, nursing homes, orphanages, correctional facilities, rooming houses, barracks and shelters. "Groups Quarters" are divided into two categories, institutions and other special places. Institutions generally includes custodial facilities such as hospitals, prisons or similar facilities. Special places include facilities such as schools and colleges and other similar facilities. Approximately 65% (2,593 persons) of the population in Group Quarters are inmates of various institutions. The remaining 1,400 are residents of "special" places. Wesleyan University in Middletown is a major facility in this category.

The 1980 Group Quarters population is provided in Table 5.

TABLE 5

POPULATION IN GROUP QUARTERS, 1980

<u>TOWN</u>	<u>IN GROUP QUARTERS</u>	<u>TOTAL</u>	<u>65 YEARS AND OVER</u>
Cromwell	Inmate of Institution	343	230
	Other	102	4
Durham	Inmate	164	42
	Other	2	-
East Haddam	Inmate	79	61
	Other	12	3
East Hampton	Inmate	87	82
	Other	-	-
Haddam	Inmate	12	8
	Other	-	-
Middlefield	Inmate	-	-
	Other	-	-
Middletown	Inmate	1,674	500
	Other	1,284	32
Portland	Inmate	234	113
	Other	31	1
Midstate	Inmate	2,593	1,036
	Other	1,431	40

Source: 1980 Census

E. Households

The Region's housing needs are best described in terms of households. A household includes all persons who occupy a housing unit. Households are often further defined as family and non-family households. The former consists of two or more persons having a dwelling unit who are related by birth, marriage or adoption. Non-family households include persons living alone and two or more unrelated individuals sharing a dwelling unit.

In 1980 there were 30,710 households in the Midstate Region. By 1986, it is estimated that the number of households increased by almost 22% to 37,371. As was noted earlier, total population increased over the same period by just under 7%. This points to a significant decrease in household size. Within the Midstate Region, it is projected that average household size declined from 2.7 in 1980 to 2.5 in 1986. Such a decline is consistent with trends observed at the State and National levels.

Among the factors which have contributed to the decrease in average household size have been increases in divorces, a tendency to delay marriage for education and career development, the conscience decision to have fewer children, and increased life expectancy.

Decreases in household size and the consequent increase in total

households has significance for the Region's housing supply in two ways. First, obviously is an increase demand for the total number of units. But, also of significance is in an increased demand for smaller units. Table 6 indicates household changes between 1980 and 1986 for the Region and its Towns.

TABLE 6

HOUSEHOLDS AND AVERAGE HOUSEHOLD SIZE, MIDSTATE TOWNS -
1980, 1986

<u>TOWNS</u>	<u>1980 HOUSEHOLDS</u>	<u>1980 PERSONS PER HOUSEHOLD</u>	<u>1986 HOUSEHOLD</u>	<u>1986 PERSONS PER HOUSEHOLD</u>
Cromwell	3,792	2.59	4,837	2.47
Durham	1,535	3.24	1,800	3.09
East Haddam	1,977	2.80	3,016	2.67
East Hampton	2,941	2.89	3,776	2.75
Haddam	2,141	2.98	2,543	2.84
Middlefield	1,351	2.81	1,602	2.68
Middletown	14,120	2.55	16,568	2.43
Portland	2,843	2.86	3,204	2.73
Region	30,710	2.7	37,371	2.57

Source: 1980 Census, 1986 estimated by MRPA

F. INCOME

The 1970 and 1980 Census provided data on household and family incomes in 1969 and 1979 respectively. Table 7 presents data on median family and household income for the towns and the Region.

TABLE 7

MEDIAN FAMILY INCOME BY TOWN, 1969, 1979, 1986

<u>TOWN</u>	<u>1969</u>		<u>1979</u>		<u>1986¹</u>	
	<u>FAMILY</u>	<u>HOUSEHOLD</u>	<u>FAMILY</u>	<u>HOUSEHOLD</u>	<u>FAMILY</u>	<u>HOUSEHOLD</u>
Cromwell	\$12,604	\$11,008	\$25,109	\$22,239	\$40,676	NA
Durham	12,538	11,516	25,500	24,326	41,310	NA
East Haddam	11,442	10,914	21,386	19,468	34,645	NA
East Hampton	10,879	9,884	23,320	21,360	37,778	NA
Haddam	12,080	10,370	24,575	22,224	39,811	NA
Middlefield	12,595	11,269	24,740	22,207	40,078	NA
Middletown	11,280	9,140	21,085	17,308	34,157	NA
Portland	12,212	10,828	22,763	19,959	37,200	NA
Region	11,434	NA	22,763	19,959	37,200 ¹	NA

Source: 1969, 1979, U.S. Census Bureau, 1986 MRPA estimate based on U.S. Dept. of HUD Income Projections.

¹ Median Income for Middletown PSMA which includes all Towns except East Haddam.

As the Table indicates, family income in the Region nearly doubled between 1969 and 1979. Since 1979 median income has increased by 63%.

The U.S. Department of Housing and Urban Development defines very low and low income families in determining eligibility for Federal Housing Assistance. "Moderate" and "High Moderate" income households are defined by State Agencies for similar purposes. These income limits are established based on the area median income as follows:

Very Low	50% or less of median
Low	51 - 80% of median
Moderate	81 - 115% of median
High Moderate	116 - 140% of median

Table 8 provides data on low and moderate income households by tenure for the Region.

TABLE 8

LOW AND MODERATE INCOME HOUSEHOLDS

Town	Very Low Income Owners	Low Income Owners	Moderate Income Owners	High Moderate Income Owners	Very Low Income Renters	Low Income Renters	Moderate Income Renters	High Moderate Income Renters
Cromwell	310	441	623	644	217	210	264	128
Durham	127	162	363	384	25	56	44	20
East Haddam	250	312	463	260	119	102	66	64
East Hampton	257	439	616	563	154	151	139	97
Haddam	239	270	468	465	112	88	96	36
Middlefield	106	148	278	321	101	76	67	30
Middletown	1,047	1,159	1,658	1,978	2,496	1,763	1,171	1,119
Portland	246	294	546	508	265	186	157	74
Midstate	2,582	3,225	5,014	5,124	3,489	2,631	2,005	1,567

Source: 1980 Census of population and housing, U.S. Department of Commerce, Bureau of the Census. Limits were based upon 1979 U.S. Department of Housing and Urban Development Income Criteria for Very Low and Low Income Groups. Moderate and High Moderate are a consensus of different housing programs in Connecticut.

Collectively, these households are referred to as "low and moderate households".

Within the Region 83% of the households qualified as low and moderate income and 39% had very low or low incomes.

The Region's low and moderate income households tend to be concentrated in the City of Middletown. Of the 25,664 households in the Region which meet the low and moderate income definition, 12,391 or 48% are found in the City. Among the low and very low income households, 54% are residents of Middletown. Approximately 44% of all households reside in Middletown.

Within the Region, approximately 80% of owner households and 90% of renter households qualified as low and moderate. Low and very low income households tend to be concentrated in the Rental Market. Regionwide, only 13% of owner households had very low incomes while 32% of renters had very low incomes.

Only one town, Durham, has less than 20% of its renter households qualified as very low income.

Table 9, which presents data on households by income group and tenure, further supports the position that lower income households tend to be concentrated in the rental market, and hence, face special problems. Based on this data, only 27% of rental households had incomes in 1979 of more than \$20,000 while among homeowners almost 62% had incomes above \$20,000. Furthermore, over one third of rental households had incomes of less than \$10,000, while among owners only 13% had incomes that low.

What the data further shows, however, is that the condition is not limited to the Region's urban center, but occurs in nearly all communities.

Table 9

AREA NAME	TOTAL		HOUSEHOLD		INCOME		TOTAL	
	LESS THAN \$10,000		\$10,000 TO \$19,999		\$20,000 OR MORE			
CROMWELL	560	14.8%	1058	27.9%	2174	57.3%	3792	100.0%
DURHAM	151	9.9%	332	21.7%	1047	68.4%	1530	100.0%
EAST HADDAM	383	19.5%	639	32.6%	939	47.9%	1961	100.0%
EAST HAMPTON	432	14.8%	893	30.5%	1601	54.7%	2926	100.0%
HADDAM	363	17.0%	541	25.3%	1237	57.8%	2141	100.0%
MIDDLEFIELD	233	17.2%	342	25.2%	781	57.6%	1356	100.0%
MIDDLETOWN	3692	26.1%	4563	32.3%	5875	41.6%	14130	100.0%
PORTLAND	525	18.4%	749	26.2%	1584	55.4%	2858	100.0%
MIDSTATE	6339	20.7%	9117	29.7%	15238	49.6%	30694	100.0%

AREA NAME	OWNER		HOUSEHOLD		INCOME		TOTAL	
	LESS THAN \$10,000		\$10,000 TO \$19,999		\$20,000 OR MORE			
CROMWELL	311	11.2%	697	25.0%	1780	63.8%	2788	100.0%
DURHAM	122	9.0%	262	19.2%	979	71.8%	1363	100.0%
EAST HADDAM	252	16.2%	499	32.1%	805	51.7%	1556	100.0%
EAST HAMPTON	258	11.1%	647	27.7%	1427	61.2%	2332	100.0%
HADDAM	241	13.7%	415	23.6%	1104	62.7%	1760	100.0%
MIDDLEFIELD	112	10.7%	255	24.4%	679	64.9%	1046	100.0%
MIDDLETOWN	1076	15.5%	1729	24.9%	4128	59.5%	6933	100.0%
PORTLAND	254	12.0%	465	22.0%	1399	66.1%	2118	100.0%
OSTATE	2626	13.2%	4969	25.0%	12301	61.8%	19896	100.0%

AREA NAME	RENTAL		HOUSEHOLD		INCOME		TOTAL	
	LESS THAN \$10,000		\$10,000 TO \$19,999		\$20,000 OR MORE			
CROMWELL	249	24.8%	361	36.0%	394	39.2%	1004	100.0%
DURHAM	29	17.4%	70	41.9%	68	40.7%	167	100.0%
EAST HADDAM	131	32.3%	140	34.6%	134	33.1%	405	100.0%
EAST HAMPTON	174	29.3%	246	41.4%	174	29.3%	594	100.0%
HADDAM	122	32.0%	126	33.1%	133	34.9%	381	100.0%
MIDDLEFIELD	121	39.0%	87	28.1%	102	32.9%	310	100.0%
MIDDLETOWN	2616	36.3%	2834	39.4%	1747	24.3%	7197	100.0%
PORTLAND	271	36.6%	284	38.4%	185	25.0%	740	100.0%
MIDSTATE	3713	34.4%	4148	38.4%	2937	27.2%	10798	100.0%

Source: 1980 Census

Section 2 - Housing Stock

A. Total Housing Stock

In 1980 there were 32,575 housing units within the Midstate Region. By 1986, the housing stock had increased by more than 5,100 units to 37,712 units. The fastest housing growth occurred in Cromwell, where the stock increased by 38%. Middlefield and Portland had the slowest rates of increase, 9% each. Table 1 presents data on total housing stock between 1980 and 1986.

Table 2 provides data on housing types for the Region and its towns. As the Table shows, single family housing is the predominant housing type in the Region. In 1980, 64.5% of the Region's stock was in single family housing. By 1986, the proportion of the Region's stock in single family units had increased to 66%. Within individual communities, there were significant changes in the housing type mix over the period. In Cromwell, for example, multi family housing virtually doubled, growing three times as fast as single family units. In terms of total stock, multi-family units grew from 20% to 28%. In Middletown, too, a significant portion of the housing stock constructed over the period from 1980 to 1986 was in multi-family units. Nearly 1,500 new multi-family units were constructed in the City over the period compared with 539 new single family units. Of the remaining communities, only two, East Hampton and Portland had more than 100 units added to their rental stock.

TABLE 1

HOUSING UNITS, MRPA TOWNS, 1980, 1986

<u>TOWN</u>	<u>TOTAL UNITS, 1980</u>	<u>TOTAL UNITS, 1986</u>	<u>% CHANGE</u>
Cromwell	3,532	4,890	38%
Durham	1,579	1,814	15%
East Haddam	2,648	3,039	15%
East Hampton	3,297	3,814	16%
Haddam	2,305	2,563	11%
Middlefield	1,480	1,614	9%
Middletown	14,774	16,762	13%
Portland	2,960	3,225	9%
Region	32,575	37,721	16%

TABLE 2

HOUSING UNITS BY TYPE, 1980, 1986
(Year - Round)

<u>TOWN</u>	<u>SINGLE FAMILY</u>			<u>MULTI-FAMILY</u>		
	<u>1980</u>	<u>1986</u>	<u>% CHANGE</u>	<u>1980</u>	<u>1986</u>	<u>% CHANGE</u>
Cromwell	2,747	3,506	27.6%	699	1,384	98. %
Durham	1,392	1,628	17.	141	186	31.9
East Haddam	1,846	2,743	48.6	257	296	15.2
East Hampton	2,493	3,197	28.2	508	617	21.5
Haddam	1,937	2,250	16.2	248	313	26.2
Middlefield	1,175	1,363	16.	208	251	20.7
Middletown	7,156	7,692	7.5	7,577	9,070	19.7
Portland	2,196	2,460	12.2	639	765	19.7
Region	20,942	24,839	18.6	10,277	12,882	25.3

Source: 1980 U.S. Census 1986 CT Dept. of Housing

B. Tenure

Tenure is a term used to describe whether housing units are owner occupied or renter occupied. Table 3 provides data on tenure for the Towns of the Midstate Region.

TABLE 3

TENURE, 1980

<u>TOWN</u>	<u>OWNER</u>	<u>%</u>	<u>RENTER</u>	<u>%</u>	<u>TOTAL OCCUPIED UNITS</u>
Cromwell	2,788	73.5	1,004	26.5	3,792
Durham	1,352	88.1	183	11.9	1,535
East Haddam	1,581	80.0	396	20.0	1,977
East Hampton	2,317	78.8	624	21.2	2,941
Haddam	1,760	82.2	381	17.8	2,141
Middlefield	1,057	78.2	294	21.8	1,351
Middletown	6,933	49.1	7,197	50.9	14,130
Portland	2,133	75.0	710	25.0	2,843
Region	19,921	64.9	10,789	35.1	30,710

Source: 1980 Census

As the Table shows, most of the Region's housing stock is owner occupied. Only the Region's central city, Middletown has more than 50% of its housing in rental stock. Among the other seven communities two of the more rural towns, Haddam and Durham have

less than 20% of their households residing in rental units.

C. Vacancy Rates

Vacancy rates are used to determine the number of units available for sale or rent within the Region. A vacancy rate of 5% for rental units and 2.5% for owner occupied units is considered reasonable to allow for consumer choice in the housing market.

Vacancy rates in the Midstate Region are indicative of a very tight market. Table 4 provides vacancy rates for owner and rental units in 1980 and 1984.

As the data indicate, in 1980 only 3 communities had owner vacancy rates over 1% and none approached the 2.5% goal. For rental units the situation was similar, although Middletown's 4.5% rate for rental housing and Middlefield's 4.8% rental rate were reasonable.

By 1984, based on a survey by the Federal Home Loan Bank Board, which was limited to the urban portion of the Region, Middletown, Cromwell, Portland, and East Hampton, but seems indicative of the entire Region, overall vacancy rate for owner occupied units had declined to 0.7%. For rental housing, the rate had declined to 1.4%, indicating a significant tightening of that market since 1980.

TABLE 4

VACANCY RATES, MIDSTATE TOWNS, 1980, 1984

<u>TOWN</u>	1980		1984	
	<u>OWNER</u>	<u>RENTER</u>	<u>OWNER</u>	<u>RENTER</u>
Cromwell	1.2	3.7	1.2	0.8
Durham	0.6	2.1	NA	NA
East Haddam	1.4	2.7	NA	NA
East Hampton	0.8	3.4	1.1	0.5
Haddam	0.8	3.2	NA	NA
Middlefield	0.3	4.8	NA	1.8
Middletown	1.1	4.5	0.4	1.1
Portland	0.3	2.0	0.4	1.1
Region	1.0	4.1	0.7	1.4

C. Housing Costs

Information on housing costs is provided in Tables 5 and 6. Table 5 provides median values of owner occupied units in 1980 and 1986. Over that period housing values have increased by nearly 50% in the Region. Within some communities, cost increases have been even more dramatic. Middlefield's housing costs have increased the fastest from \$60,000 to \$114,000, a 90%

increase. The Town of Haddam had an increase of more than 80% since 1980, and currently has the Region's most expensive housing, with a median value of \$125,000.

Table 6 provides rental data for the Region. Detailed information on current rents is very limited. There have been several surveys of larger complexes conducted by the Connecticut Housing Finance Agency, but such data does not accurately reflect the rental market in the Region. Numerous smaller apartment complexes, as well as two and three family structures play a significant role in the Region's rental market but no data is available on current rent levels.

Despite these drawbacks, data which is available indicates costs of rental housing has increased dramatically. Rental levels for two bedroom units can range as high as \$600 to \$825 with utilities and \$800 without utilities. HUD's Fair Market Rents estimate utility costs at \$90 - \$100 per month.

TABLE 5

MEDIAN SELLING PRICE

<u>TOWN</u>	<u>1980</u>	<u>1986</u>	<u>% CHANGE</u>
Cromwell	63,600	88,000	38.4
Durham	65,600	117,000	78.4
East Haddam	61,700	94,200	52.7
East Hampton	59,700	84,800	42.1
Haddam	69,200	125,000	80.6
Middlefield	60,000	114,000	90.0
Middletown	60,300	90,500	50.0
Portland	63,600	112,250	76.5
Region	62,200	92,500	48.7

Source: 1980 Census, 1987 OPM Residential House Sales Report

TABLE 6

RENT LEVELS

	<u>1980 MEDIAN CONTRACT RENT</u>	<u>1987 RENT LEVELS</u>
Midstate Region	\$212	\$600-825 w/utilities \$435-800 wo/utilities

Source: 1980 U.S. Census, 1987, CHFA Apartment Rent Survey

In determining housing affordability, it is necessary to compare costs with income level. For this report, an affordable sales price is determined as 2.5 times income and affordable rent level

is considered to be 30% of income. Table 7 indicates affordable sales prices and rent levels for median income, low (80% of median) income, and very low income (50% of median) households.

TABLE 7

MIDSTATE REGION AFFORDABLE SALES AND RENT LEVELS

<u>INCOME</u>	<u>AFFORDABLE SALES PRICE</u>	<u>AFFORDABLE RENT (with utilities)</u>
Median (37,200)	93,000	930
Low (29,760)	74,400	744
Very Low (18,600)	46,500	465

Based on this information, it is clear that very low income households are effectively shut out of the ownership market and face severe pressures within the rental market as well. Low income households, too, are severely restricted in terms of ability to enter the ownership market. Only 23% of the units sold in 1986 were sold for less than \$75,000, essentially the affordable level for those earning 80% of median for the Region.

CHAPTER II HOUSING UNITS REQUIRED TO MEET REGIONAL NEED

The purpose of this chapter is to estimate additional housing units required to meet Regional housing needs.

A word of caution is necessary in utilizing data presented in this chapter. The estimates of housing units needed which are presented here are not intended to be precise, but rather to define the scope of the problem in the Region and to provide a baseline for formulating regional policy and determining where future work should be done.

A. Units Required to Alleviate Vacancy Rate Deficiencies

An adequate supply of vacant units is an important component of a healthy housing market. Insufficient vacancy rates can lead to artificially high costs, reduced consumer choice and reduced market activity. Typically, the acceptable vacancy rates for owner occupied housing is 2.5% and for rentals is 5%. Available data for the Region suggests that the current vacancy rate for owners is 0.7%. For rental units, it is 1.4%.

In order to raise the existing vacancy rates to the statewide goal of 2.5% for owners and 5.0% for renters, some 911 new units will be required. Of this 447 are owner units and 464 are rental units.

B. Additional Units Needed to Eliminate Substandard Housing and Provide Affordable Housing

For purposes of this report, inadequate housing is defined as units lacking plumbing for the exclusive use of the occupant household, units which are overcrowded (1.01 persons per room or greater) and renter occupied housing units for which gross rent is 30% or more of the occupant household's income. Table 1 provides 1980 data on inadequate housing by town for the Region.

TABLE 1
INADEQUATE HOUSING UNITS, MIDSTATE REGION, 1980

<u>TOWN</u>	<u>SUBSTANDARD UNITS</u>	<u>UNITS > 30% OF INCOME</u>	<u>TOTAL INADEQUATE</u>
Cromwell	60	289	349
Durham	41	42	83
East Haddam	67	120	187
East Hampton	77	169	246
Haddam	58	105	163
Middlefield	41	99	140
Middletown	604	2,152	2,756
Portland	78	229	307
Region	1,026	3,205	4,231

Source: 1980 Census

The 1980 Census identified 4,231 inadequate housing units within the Midstate Region. Nearly 65% of these units were found in the City of Middletown. Among substandard units, that is those which were overcrowded or lacked plumbing facilities, 59% were found in Middletown. Among those households paying a substantial portion of their income for rent, more than 70% were residents of Middletown. Both these findings are in large part a function of the size and composition of Middletown's housing stock. As noted in Chapter I, some 50% of Middletown's housing units are renter occupied. Further, a significantly larger number of the City's units are in older structures, particularly among rental stocks.

As the Table indicates, by far the major portion of inadequate housing units are so designated as a result of cost. Only one quarter of the inadequate stock was overcrowded or lacked plumbing. This constitutes 3.3% of the total occupied housing stock in the Region. By comparison, 30% of the households residing in rental housing pay more than 30% of their incomes in rent.

The problem of substandard housing is, as would be expected, closely related to income. Among the Region's non-elderly (less than age 62) renters, 80% of the 3,416 households earning less than \$20,000 resided in inadequate housing. Among the elderly, 882 rental households earned less than \$20,000 in 1979. 811 of these households (92%) resided in inadequate units.

Since 1980, some progress has been made in addressing the problem of inadequate housing in the Region. Two principal areas have been addressed. Active residential rehabilitation programs funded through the Community Development Block Grant Program have been operated in six of the eight towns. Since 1980 these programs have resulted in the upgrading of more than 500 units, predominantly for low and moderate income households.

In addition, some 400 new units of elderly housing, subsidized with state or federal funding have been added to the Region's housing stock. Overall 1,241 units of assisted housing have been provided since 1980. Despite these accomplishments, there is still significant unmet needs. Table 2 estimates the Region's unmet housing needs.

TABLE 2
ESTIMATED HOUSING NEED, 1987

1980 inadequate units (1)	4,231
<u>Housing Assistance Provided 1980 - 87</u>	
Elderly (2)	401
CDBG Rehabilitation (2)	491
CHFA Multi-Family (3)	278
Section 8 Existing/Vouchers (2)	71
Total Assistance Provided	1,241

Additional Units Required, 1987

2,990

Sources: (1) 1980 Census
(2) MRPA Survey
(3) CHFA Annual Report, 1986

The estimate presented here presents a conservative estimate of regional housing needs. Actual housing needs are likely to be greater for several reasons. First, renter households paying an excessive portion of their income on rent represent the primary component of regional housing needs. Throughout the 1980's, increase in income have not kept pace with increases in rent levels, a factor which has decreased low income renters' ability to secure adequate, affordable housing in the private market. This method of estimating unmet needs does not account for any increase in renter households spending an excessive portion of their income on housing. Second, the methodology does not account for housing units which may possess structural inadequacies other than the lack of complete plumbing facilities, or any increases in substandard housing since 1980. While units lacking complete plumbing for the exclusive use of the household is the most widely used Census indicator of physically substandard housing, it is a limited estimate of physically substandard units. Finally, the methodology does not account for the loss of low income rental units due to demolition or condominium conversions. Since 1980, several multi-family projects have been converted from rental units to ownership units.

It is apparent that a variety of housing activities will be required to meet regional housing needs. Activities which should be considered for inclusion in State and local housing strategies include: the new construction of subsidized rental units; the rehabilitation of rental units combined with rent subsidies for the occupying households; the provision of rent subsidies to households living in adequate housing units; continuation of the rehabilitation of substandard owner units; and the provision of mortgage assistance to low and moderate income households wishing to purchase a home. It will be up to individual municipalities, the Region and the State to evaluate local and regional housing needs, and consider the full range of options which they may implement to upgrade the existing housing stock and expand housing opportunities.

CHAPTER III - SPECIAL REGIONAL CONCERNS

The previous sections of this report attempted to utilize standardized methodology to identify housing needs within the Midstate Region. The purpose of this section is somewhat different. It is to identify issues and concerns which face the Region in the area of housing and which are less easily quantifiable.

A. The Homeless

Homelessness is a growing concern in the Midstate Region. Current estimates by social service agencies put the number of homeless in the Region at 150 persons. Two shelters located in Middletown, provide emergency housing for the Region's homeless. Gilead House operated by the American Red Cross, serves homeless families. This two unit, five bed facility is supplemented by motels. The American Red Cross is planning another seven-unit shelter for families. This is anticipated to be adequate to handle the six to eight homeless families in need of temporary housing.

St. Vincent de Paul Place in combination with the Salvation Army, provides a thirty bed facility for single adults. The shelter generally operates with an average of 80% occupancy, but in very bad weather can be faced with 50 to 60 more than capacity.

The City of Middletown has formed a Homeless Task Force and has been working in conjunction with the State and private agencies to develop additional shelter space.

B. Economic Development

One significant factor affecting housing demand and costs has been the substantial economic growth occurring both in the Region and in adjacent Regions on the Route 91 corridor. Major new developments, particularly in Middletown, Wallingford and Meriden, have resulted in new residents entering the Region and impacting the market.

Furthermore, development in greater Hartford has impacted the Region. Housing prices in the Region have historically been less than those in the Capital Region while transportation access has been relatively good. This has helped to make the Midstate towns an attractive alternative for housing choice to Greater Hartford workers. As a result, the relative differences in housing cost between the two Regions have closed slightly since 1980.

C. Land Costs

Since 1980, land costs have represented an increasingly large share of the total cost of constructing a home. Although detailed studies within the Region have not been undertaken as part of this report, statewide data developed by the Home

Builders Association of Connecticut indicate that between 1980 and 1986, land costs have increased from 29% of the total cost of a new single family home to more than 40%. Statewide, total housing costs increased by 50% over the period while land costs grew by 109%.

As previously noted, no detailed study of the Midstate Region has been conducted to determine how closely these Statewide percentages approximate those of the Region. But, significant anecdotal evidence exists to indicate that the general trends identified by the Homebuilders are applicable to the Midstate communities.

D. Conversion of Subsidized Housing

A significant portion of the subsidized housing in the Midstate Region was developed by private developers utilizing the HUD 221(d)(3) and 236(j) mortgage programs. Under these programs, private developers could receive 40 year mortgages which could be repaid after 20 years. Following repayment, the units could be made available at market rates. To date, this has not been a significant problem statewide nor has it been a problem in the Region. But, by the mid-1990's more than 1,200 units, or more than one third of the Region's subsidized stock, will be eligible for repayment, and with little or no new subsidized housing to take its place the potential impact in the Region's affordable housing stock is tremendous. An intergovernmental study committee has been formed at the State level to follow this situation and make policy recommendations. While it is important to stress that this is not an issue at this time in the Region, and may never become a significant one, because the impact on the Midstate Region is potentially so dramatic, it would be worthwhile to monitor the Committee's work.

E. Elderly Housing

A major concern in the Region involves provision of housing for elderly residents. Over the next fifteen years, this group is expected to be among the fastest growing in the Region. Currently, publicly assisted housing programs exist in seven of the Region's towns. Those meet a significant portion of the current need. But, as this group grows, existing facilities will come under increased strain. Housing officials also indicate a current need for semi-independent living units to serve those elderly who face difficulties living independently yet are not in need of institutional or nursing home care.

ESTIMATED NUMBER OF HOUSING UNITS IN MID-STATE REGION

END OF DECEMBER 1987

TOWNS	ALL UNITS	SINGLE FAMILY	-----MULTI-FAMILY-----				MOBILE HOMES	UNDE- TERMINED	-----% OF TOWN-----	
			2 Units	3&4 Units	5+ Units				SINGLE FAMILY	MULTI- FAMILY
Cromwell	5,032	3,600	276	120	1,003	0	33	71.54%	27.80%	
Durham	1,915	1,721	114	35	44	0	1	89.87%	10.08%	
East Haddam	3,143	2,845	130	65	85	11	7	90.52%	8.91%	
East Hampton	4,020	3,391	270	124	194	33	8	84.35%	14.63%	
Haddam	2,620	2,307	188	57	45	7	16	88.05%	11.07%	
Middlefield	1,647	1,394	106	76	71	0	0	84.64%	15.36%	
Middletown	17,601	7,882	2,052	1,272	6,326	41	28	44.78%	54.83%	
Portland	3,274	2,507	360	200	190	0	17	76.57%	22.91%	
TOTAL	39,252	25,647	3,496	1,949	7,958	92	110	65.34%	34.15%	

MIDDLETOWN VS THE REST OF THE MID-STATE REGION

	ALL UNITS	SINGLE FAMILY	-----MULTI-FAMILY-----				MOBILE HOMES	UNDE- TERMINED	-----% OF REGION-----	
			2 Units	3&4 Units	5+ Units				SINGLE FAMILY	MULTI- FAMILY
Mid-State Region	21,651	17,765	1,444	677	1,632	51	82	69.27%	28.00%	
Middletown	17,601	7,882	2,052	1,272	6,326	41	28	30.73%	72.00%	
TOTAL	39,252	25,647	3,496	1,949	7,958	92	110	65.34%	34.15%	

MIDDLETOWN HOUSING PARTNERSHIP

MAY 17, 1989

Municipal Development Office

William M. Kuehn, Director
Linda A. Ozga
Cynthia G. Wilcox
Barbara D. Santangelo
Iris M. Schnipper





MIDDLETOWN HOUSING PARTNERSHIP

SUBCOMMITTEE ON HOUSING NEEDS

FINAL REPORT

of the

Housing Need Subcommittee

Linda Ozga
Loretta Cavanaugh
Jim Dunn
Lisa Faccadio
William Roberts

Submitted to:

Middletown Housing Partnership

March 1989

INTRODUCTION

The housing crisis which exists throughout the State of Connecticut has effected the abilities of households to both find affordable rental housing and to purchase housing. These problems are no longer confined to lower income households, but affect even families with incomes at and above the median. This report examines the housing situation in the City of Middletown. It examines the existing conditions in both the rental and ownership markets in the City and attempts to identify particular needs in each segment of the market.

In conducting its study the Committee reviewed data from a variety of sources including the Middletown Board of Realtors, the Connecticut Department of Housing, the U.S. Department of Housing & Urban Development, the Census Bureau and a variety of others.

For purposes of consistency, the Committee used the following standards for measuring affordability:

- A. Rental housing is affordable when it costs a household no more than 30% of its gross monthly income to pay rent and utilities.
- B. Owner occupied housing is considered affordable if it costs a household no more than 28% of its gross monthly income to pay mortgage, taxes, insurance, utilities and condominium or similar fees, where applicable.

I. RENTAL HOUSING

- A. In order to develop data on the cost of existing non-assisted or private rental housing in Middletown, the Committee conducted a survey of 281 2-bedroom units in December 1988. Based on this survey, two bedroom, non-subsidized units range from \$515 per month including heat and hot water, to \$850 per month for a luxury unit. The survey also indicated a vacancy rate of only 1.4%. This rate is indicative of a tight market.

- B. Subsidized Rental Housing

The affordability of these units is guaranteed to cost no more than 25%-30% of the monthly household income for low income households who fall within the federal maximum income (Section 8) guidelines. There is a large waiting list for public housing.

- C. Other Assisted Housing

A household of three with an annual income under \$19,965.00 would be eligible to rent a 2-bedroom unit costing \$263-\$320 per month including heat, some including electric (based on a survey of 586 2-bedroom units). However, the vacancy rate is at zero.

- D. Discussion

TABLE I

1988 ESTIMATED HOUSEHOLD INCOME

	Number	%	Affordable Rent Range
<15,000	3,219	21.8	0 - 375
15,000 - 24,999	2,863	19.4	375 - 624
25,000 - 34,999	2,320	15.7	624 - 875
35,000 - 49,999	2,947	19.9	875 - 1,250
50,000 +	3,424	23.2	1,250 +
Total	14,773	100	

Source: Donnelly Demographics

Table I provides data on households by income range. The Table also indicates affordable rent ranges for the various income groups. This data suggests that for most households, the private market provides units which would be affordable.

More specifically, 60% of the households in the City have incomes which are adequate to afford \$515 per month, the low end of the market range, and even the high end of the range, \$850 per month, is affordable to more than 45% of the City's households.

This does not mean, however, that there are not problems in the rental market. As noted previously, the vacancy rate is only 1.4% which is considered very tight. Furthermore, rentals tend to be concentrated at the lower end of the income spectrum. Based on 1980 Census data for the Midstate Region, only an approximate 27% of renters had income above the regional median and a more recent state-wide survey, conducted by the Institute of Social Inquiry, at UCONN for the State Department of Housing (Summer 1988) found that 53% of households with incomes less than \$30,000 were renters compared with only 8% of those with incomes over \$50,000. In light of this information--there is a problem at the lower end of the income spectrum.

The 3,219 households (Table I) earnings less than \$15,000 per year make up 21.8% of the City's population. Available assisted housing in Middletown currently provides 2,374 units. However, a substantial proportion of the households with the lowest incomes, at least 600, are elderly homeowners, often with small or no mortgage payments. (Based on applications received by the City Tax Assessors for the Freeze & Heart Programs). But, there is a need of an additional 245 rental units for households earning less than \$15,000 annually.

Based on the data available, it appears that one group which is particularly poorly served by both the existing private market and the assisted market is that group earning approximately \$15,000 - \$25,000 per year. This group, capable of paying \$375 to \$625 per month must struggle to find rental units which are affordable in the private market, but may not qualify for other assisted housing.

II. OWNERSHIP OPPORTUNITIES

In order to determine the cost of housing available, the Committee reviewed data from the Multiple Listing Service for the week of December 16, 1988. This listing included some 163 single family units, 138 condominium units and 29 multi-family structures. Table II provides data on single family housing. Table III provides comparable information on condominiums.

TABLE II

PRICE RANGES SINGLE FAMILY HOUSING*

Total	Low	Median	High	%<120,000	%<150,000	%>250,000
163	109,000	195,000	700,000	3	24.5	41

* Prices are offering prices. Sales prices tend to be 5-10% less in the current market.

TABLE III

PRICE RANGES FOR CONDOMINIUMS

Total	Low	Median	High	%<120,000	%<150,000	%>250,000
138	77,500	125,450	185,000	38	75	0

Assuming a 10.5% interest rate mortgage, a family would require an income of \$61,000 per year in order to purchase a median priced home and more than \$50,000 per year to afford a median priced condominium unit assuming in both cases that it had available 20% available for a down payment. In the case of a house, the required down payment would be \$39,000; for a condo, \$25,000.

The report generated by the Institute of Social Inquiry, although not Middletown specific but Statewide, revealed a strong desire for home ownership among non-owners. 74% of non-owners indicated a preference for ownership, but an even greater percentage, 81%, indicated that cost was a problem. Among the various age groups, the greatest desire for homeownership (89%) came from those under 30. (NOTE: Study did not provide data for 25-34).

TABLE IV

1988 ESTIMATED HOUSEHOLD INCOME 25 - 35 YEAR OLD HOUSEHOLDS

15,000	736	20.5%
15,000 - 24,999	987	27.5%
25,000 - 34,999	615	17.2%
35,000 - 49,999	669	18.7%
Total	3,582	100%

Our realtor survey indicated that 50% of their customers are first time buyers. Table IV provides data on Middletown households by income for those households with heads age 25-34 years of age. This group has been, traditionally, the group trying to enter the housing market for the first time. More than 80% of these households have incomes less than \$50,000, the minimum necessary to purchase a median priced condominium in the City. It is clear that an even greater percentage lack the \$61,000 necessary to purchase a single family house. In the current market, the major public program in Connecticut to assist moderate income households to access the ownership market is the Connecticut Housing Finance Authority (CHFA) Home Mortgage program. By and large, CHFA has targeted first time home buyers.

Therefore, it seems worthwhile to examine the number of units which meet CHFA price guidelines. Only 7 single family units fell within price guidelines. (The maximum purchase price for a home/condo in Middletown under CHFA is \$121,000). Quality standards were not determined. Half of the condominium units met the price standards, but again, no attempt to determine eligibility from a quality standard was made. However, local realtors report that this is a major drawback to many lower priced condominiums.

CONCLUSION

Low Income Housing

Additional directly subsidized rental units are needed to house the City's low income non-homeowning households with annual incomes less than \$15,000. The Middletown Housing Authority, Nehemiah Housing Corporation and some other non-profits are committed to serving this sector of our City's population and have completed several projects utilizing State and Federal funds. The MHP should continue to work with these organizations to provide additional low income rental units. Additionally, the City of Middletown is participating in the State Rental Rehabilitation Program which is designed to fund the rehab of privately owned units if rented to low income households. This year ten new units will be completed under this program. The MHP and the City should combine their support for this program.

Low and Moderate Income Housing

The City has several assisted housing units, many built by Carabetta, but is still in need of additional units for those households with annual incomes of less than \$25,000. Equity in Housing's success with "limited equity" units is another alternative to ensuring affordability through the use of government funding for construction, as the Carabetta complexes were. Additionally, the City of Middletown offers Rehabilitation Loans, funded under the Community Development Block Grant Program, to property owners for the rehab of rental units occupied primarily by persons of low and moderate incomes. In this current fiscal year, 162 units will be rehabbed through this program. The MHP should support the continuation of this Program.

Home Ownership

The best vehicle(s) for providing affordable ownership opportunities to households who have incomes of \$25-\$45,000 annually would be through the use of innovative zoning and/or subsidized mortgages. The possibility of ownership, without creative mortgage financing for this income group is nearing extinction. The only subsidy would be in the mortgage, which the owner has to pay back. The only existing opportunities are with CHFA. There is no local vehicle which exists or, for that matter, no effort has been made to assist the City's first-time homeowners. An entity must be established to be committed to working with City officials and agencies, financial institutions and the private sector to begin an effort to make ownership possible for these "bankable" households--but crippled due to the cost of housing.

Housing Development Zone

Application of the City of Middletown

II. Applicant Eligibility

9. Letter from the Mayor
(Please see cover letter)



OFFICE OF THE MAYOR
City of Middletown
CONNECTICUT 06457

PAUL GIONFRIDDO

MAYOR

January 17, 1990

Commissioner John F. Papandrea
Connecticut Department of Housing
1179 Main Street
Hartford, Connecticut 06103-1089

Dear Commissioner Papandrea:

Please find enclosed an application for consideration of Middletown's North End as a Housing Development Zone as enabled under section 8/376-381 of the Connecticut General Statutes. The North End is currently the subject of a Redevelopment study; and, the parameters of the Plan already decree that the zone will remain primarily residential, that the streets will remain in their present locations, and that the historic fabric of the neighborhood will be preserved.

The City is focusing its attentions on this deserving but distressed residential neighborhood, and its designation as a Housing Development Zone would offer a fine incentive to property owners and developers in their efforts to revitalize the area. The urban fabric there is aging quickly; and, we have a great need for both high quality rehabilitation, and for the creation of new housing.

Middletown regards this area as one deserving the highest priority for revitalization and hopes that your Department will agree.

Thank you for your consideration of our proposal.

Yours truly,

Paul Gionfriddo
Paul Gionfriddo
Mayor

PG/is
Attachments

